

General Assembly

Substitute Bill No. 1066

January Session, 2009

_____SB01066CE_GAE031809____

AN ACT CONCERNING REORGANIZATION OF THE STATE ECONOMIC DEVELOPMENT AGENCIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Section 32-1b of the general statutes is repealed and the
- 2 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 3 (a) There is established a Department of [Economic and]
- 4 Community Development, which shall be the lead agency for
- 5 <u>economic development in the state</u>. The department head shall be the
- 6 Commissioner of [Economic and] Community Development, who shall
- 7 be appointed by the Governor in accordance with the provisions of
- 8 sections 4-5 to 4-8, inclusive, with the powers and duties prescribed in
- 9 said sections 4-5 to 4-8, inclusive.
- 10 (b) Said department shall constitute a successor department to the
- 11 Department of Housing in accordance with the provisions of sections
- 12 4-38d, 4-38e and 4-39.
- 13 (c) Said department shall constitute a successor department to the
- 14 Department of Economic Development in accordance with the
- provisions of sections 4-38d, 4-38e and 4-39.
- 16 (d) Whenever the term "Commissioner of Housing" is used or
- 17 referred to in the general statutes, the term "Commissioner of

- 18 [Economic and] Community Development" shall be substituted in lieu
- 19 thereof. Whenever the term "Department of Housing" is used or
- 20 referred to in the general statutes, the term "Department of [Economic
- 21 and Community Development" shall be substituted in lieu thereof.
- 22 (e) Whenever the term "Commissioner of Economic Development"
- 23 is used or referred to in the general statutes, the term "Commissioner
- of [Economic and] Community Development" shall be substituted in
- 25 lieu thereof. Whenever the term "Department of Economic
- Development" is used or referred to in the general statutes, the term
- 27 "Department of [Economic and] Community Development" shall be
- 28 substituted in lieu thereof.
- 29 (f) If the term "Commissioner of Housing" or "Commissioner of
- 30 Economic Development" is used or referred to in any public or special
- 31 act of 1995 or 1996, or in any section of the general statutes which is
- 32 amended in 1995 or 1996, it shall be deemed to mean or refer to the
- 33 "Commissioner of [Economic and] Community Development".
- 34 (g) If the term "Department of Housing" or "Department of
- 35 Economic Development" is used or referred to in any public or special
- 36 act of 1995 or 1996, or in any section of the general statutes which is
- 37 amended in 1995 or 1996, it shall be deemed to mean or refer to the
- 38 "Department of [Economic and] Community Development".
- 39 (h) Whenever the term "Department of Economic and Community
- 40 <u>Development" is used or referred to in the general statutes, the term</u>
- 41 "Department of Community Development" shall be substituted in lieu
- 42 thereof. Whenever the term "Commissioner of Economic and
- 43 Community Development" is used or referred to in the general
- 44 statutes, the term "Commissioner of Community Development" shall
- 45 <u>be substituted in lieu thereof.</u>
- Sec. 2. Section 32-1c of the general statutes is repealed and the
- 47 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 48 (a) In addition to any other powers, duties and responsibilities

provided for in this chapter, chapter 131, chapter 579 and section 4-8 and subsection (a) of section 10-409, the commissioner shall have the following powers, duties and responsibilities: (1) To administer and direct the operations of the Department of [Economic and] Community Development, including, but not limited to, setting the state's economic development policy; (2) to report annually to the Governor, as provided in section 4-60; (3) to conduct and administer the research and planning functions necessary to carry out the purposes of said chapters and sections; (4) to encourage and promote the development of industry and business in the state and to investigate, study and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Connecticut business, industry and commerce, within and outside the state; (5) to serve, [ex officio] as [a director on] the chairperson of the board of Connecticut Innovations, Incorporated, and the board of the Connecticut Development Authority; (6) to serve as a member of the Committee of Concern for Connecticut Jobs; (7) to promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for that purpose to cooperate with state and local agencies and individuals both within and outside the state; (8) to plan and conduct a program of information and publicity designed to attract tourists, visitors and other interested persons from outside the state to this state and also to encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the state for the same purposes; (9) to advise and cooperate with municipalities, persons and local planning agencies within the state for the purpose of promoting coordination between the state and such municipalities as to plans and development; (10) to provide all necessary staff, services, accounting and office space and equipment required by the Connecticut Development Authority subject to the provisions of section 4b-23, where real estate acquisitions are involved; (11) to aid minority businesses in their development; (12) to appoint such assistants, experts, technicians and clerical staff, subject to the provisions of

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chapter 67, as are necessary to carry out the purposes of said chapters and sections; (13) to employ other consultants and assistants on a contract or other basis for rendering financial, technical or other assistance and advice, provided in implementing the Connecticut economic information system. [the] The commissioner shall, to the maximum extent feasible, contract with private vendors for software, certain data sets and data updating services; (14) to acquire or lease facilities located outside the state subject to the provisions of section 4b-23; (15) to advise and inform municipal officials concerning economic development and collect and disseminate information pertaining thereto, including information about federal, state and private assistance programs and services pertaining thereto; (16) to inquire into the utilization of state government resources and coordinate federal and state activities for assistance in and solution of problems of economic development and to inform and advise the Governor about and propose legislation concerning such problems; (17) to conduct, encourage and maintain research and studies relating to industrial and commercial development; (18) to prepare and review model ordinances and charters relating to these areas; (19) to maintain an inventory of data and information and act as a clearinghouse and referral agency for information on state and federal programs and services relative to the purpose set forth herein. The inventory shall include information on all federal programs of financial assistance for defense conversion projects and other projects consistent with a defense conversion strategy and shall identify businesses which would be eligible for such assistance and provide notification to such business of such programs; (20) to conduct, encourage and maintain research and studies and advise municipal officials about forms of cooperation between public and private agencies designed to advance economic development; (21) to promote and assist the formation of municipal and other agencies appropriate to the purposes of this chapter; (22) to require notice of the submission of all applications by municipalities and any agency thereof for federal and state financial assistance for economic development programs as relate to the purposes of this chapter; (23) with the approval of the Commissioner of Administrative

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Services, to reimburse any employee of the department, including the commissioner, for reasonable business expenses, including but not limited to, mileage, travel, lodging, and entertainment of business prospects and other persons to the extent necessary or advisable to carry out the purposes of subdivisions (4), (7), (8) and (11) of this subsection and other provisions of this chapter; (24) to assist in resolving solid waste management issues; (25) to develop and implement the Connecticut economic information system, in consultation with the Connecticut Economic Information System Steering Committee established under section 32-6i; and (26) (A) to serve as an information clearinghouse for various public and private programs available to assist businesses, and (B) to identify specific micro businesses, as defined in section 32-344, whose growth and success could benefit from state or private assistance and contact such small businesses in order to (i) identify their needs, (ii) provide information about public and private programs for meeting such needs, including, but not limited to, technical assistance, job training and financial assistance, and (iii) arrange for the provision of such assistance to such businesses.

- (b) The Commissioner of [Economic and] Community Development may make available technical and financial assistance and advisory services to any appropriate agency, authority or commission for planning and other functions pertinent to economic development provided any financial assistance to a regional planning agency or a regional council of elected officials shall have the prior approval of the Secretary of the Office of Policy and Management or his designee. Financial assistance shall be rendered upon such contractual arrangements as may be agreed upon by the commissioner and any such agency, authority or commission in accordance with their respective needs, and the commissioner may determine the qualifications of personnel or consultants to be engaged for such assistance.
- (c) The Commissioner of [Economic and] Community Development is authorized to do all things necessary to apply for, qualify for and

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- 153 accept any federal funds made available or allotted under any federal 154 act for planning or any other projects, programs or activities which 155 may be established by federal law, for any of the purposes, or activities 156 related thereto, of the Department of [Economic and] Community 157 Development and said Commissioner of [Economic and] Community 158 Development shall administer any such funds allotted to the department in accordance with federal law. The commissioner may 159 160 enter into contracts with the federal government concerning the use 161 and repayment of such funds under any such federal act, the 162 prosecution of the work under any such contract and the establishment 163 of any disbursement from a separate account in which federal and 164 state funds estimated to be required for plan preparation or other 165 eligible activities under such federal act shall be kept. Said account 166 shall not be a part of the General Fund of the state or any subdivision 167 of the state.
- (d) The powers and duties enumerated in this section shall be in addition to and shall not limit any other powers or duties of the Commissioner of [Economic and] Community Development contained in any other law.
 - (e) In furtherance of the state's economic development policy, as determined by the Commissioner of Community Development, said commissioner may enter into contracts with other state agencies, quasi-public state agencies, for-profit companies or nonprofit organizations.
- 177 Sec. 3. Section 32-1e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2009):
 - (a) The Commissioner of [Economic and] Community Development, in consultation with the Connecticut Resources Recovery Authority and the Commissioner of Environmental Protection, shall prepare a plan for the support and promotion of industries that use, process or transport recycled materials. The plan shall outline ways existing programs of the Department of [Economic and] Community

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- 185 Development, the Connecticut Resources Recovery Authority and
- agencies such as the Department of Environmental Protection, the
- 187 Connecticut Development Authority and Connecticut Innovations,
- 188 Incorporated will be used to promote such industries.
- (b) Such plan shall be completed on or before July 1, 2007.
- 190 Sec. 4. Section 32-1f of the general statutes is repealed and the
- 191 following is substituted in lieu thereof (*Effective July 1, 2009*):
- The Commissioner of [Economic and] Community Development
- shall have the following duties and powers:
- 194 (1) To carry out a futures program to study and forecast the quality
- of life in Connecticut in the future;
- 196 (2) To build an awareness of, and concern for, Connecticut's future
- 197 among residents of the state;
- 198 (3) To identify the opportunities and constraints which may affect
- 199 the quality of life in Connecticut in the future;
- 200 (4) To study the effects of changing social, economic, technological
- and environmental conditions upon the quality of life in Connecticut
- 202 in the future;
- 203 (5) To analyze and interpret available information and data
- 204 concerning Connecticut's future;
- 205 (6) To develop alternatives for achieving the best possible future for
- 206 Connecticut;
- 207 (7) To offer members of the public the opportunity to voice their
- views, suggestions and ideas on future alternatives;
- 209 (8) To monitor other public groups involved in research on the
- 210 future of the state; and
- 211 (9) To maintain a library containing all records from public and

- 212 private sectors on the subject of Connecticut's future.
- Each state agency and department shall cooperate with the
- 214 commissioner in carrying out such duties and shall permit the
- 215 Department of [Economic and] Community Development to have
- access to records and data needed for the performance of those duties.
- Sec. 5. Section 32-1g of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2009*):
- 219 (a) The Connecticut Economic Conference Board, in consultation
- 220 with the Department of [Economic and] Community Development and
- 221 The University of Connecticut, shall establish a Connecticut
- 222 competitiveness index to monitor the competitiveness of Connecticut
- as a place to do business, including, but not limited to, how programs
- 224 and policies of the state government affect the economy and the
- business environment. The board shall use the Connecticut economic
- 226 information system developed pursuant to section 32-6i and the
- 227 Regional Economic Models, Inc. (REMI) system to establish and
- 228 compile the scores for the index.
- (b) On or before January 1, 1994, the board shall publish a list of the
- proposed components of the index and the proposed methodology for
- 231 compiling the score for the index. The board shall seek public
- comment on the list and methodology and shall publish a final list and
- 233 methodology by February 15, 1994.
- 234 (c) Not later than February 15, 1994, and annually thereafter, the
- 235 board shall submit to the Governor and the General Assembly the
- score for the index for the preceding calendar year.
- 237 (d) The expenses incurred by the board pursuant to this section shall
- 238 be paid by the Department of [Economic and] Community
- 239 Development and The University of Connecticut from existing
- 240 budgetary resources.
- Sec. 6. Section 32-1k of the general statutes is repealed and the

- following is substituted in lieu thereof (*Effective July 1, 2009*):
- As used in sections 8-244b to 8-244d, inclusive, this section and
- section 32-1*l*, the following terms shall have the following meanings
- 245 unless the context clearly indicates another meaning and intent:
- 246 (1) "Department" means the Department of [Economic and]
- 247 Community Development;
- 248 (2) "Commissioner" means the Commissioner of [Economic and]
- 249 Community Development;
- 250 (3) "CDA" means the Connecticut Development Authority, as
- 251 created under chapter 579;
- 252 (4) "CHFA" means the Connecticut Housing Finance Authority, as
- 253 created under chapter 134;
- 254 (5) "CII" means Connecticut Innovations, Incorporated, as created
- 255 under chapter 581; and
- 256 (6) "SHA" means the State Housing Authority as created under
- 257 section 8-244b.
- Sec. 7. Section 32-1m of the general statutes is repealed and the
- 259 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 260 (a) Not later than February 1, 2006, and annually thereafter, the
- 261 Commissioner of [Economic and] Community Development shall
- 262 submit a report to the Governor and the General Assembly, in
- accordance with the provisions of section 11-4a. Not later than thirty
- 264 days after submission of the report to the Governor and the General
- Assembly, said commissioner shall post the report on the Department
- of [Economic and] Community Development's web site. Said report
- shall include, but not be limited to, the following information with
- 268 regard to the activities of the Department of [Economic and]
- 269 Community Development during the preceding state fiscal year:

- 270 (1) A brief description and assessment of the state's economy during 271 such year, utilizing the most recent and reasonably available data, and 272 including:
- 273 (A) Connecticut employment by industry;
- 274 (B) Connecticut and national average unemployment;
- 275 (C) Connecticut gross state product, by industry;
- (D) Connecticut productivity, by industry, compared to the national average;
- 278 (E) Connecticut manufacturing activity;
- (F) Identification of economic and competitive conditions affecting Connecticut's industry sectors, problems resulting from these conditions and state efforts to address the problems; and
- 282 (G) Any other economic information that the commissioner deems 283 appropriate.
- (2) A statement of the department's economic and community development objectives, measures of program success and standards for granting financial and nonfinancial assistance under programs administered by the department.
- 288 (3) An analysis of the economic development portfolio of the department, including:
- 290 (A) A list of the names, addresses and locations of all recipients of 291 the department's assistance;
- (B) The following information concerning each recipient of such assistance: (i) Business activities, (ii) standard industrial classification codes or North American industrial classification codes, (iii) number of full-time jobs and part-time jobs at the time of application, (iv) number of actual full-time jobs and actual part-time jobs during the preceding state fiscal year, (v) whether the recipient is a minority or woman-

- 298 owned business, (vi) a summary of the terms and conditions for the 299 assistance, including the type and amount of state financial assistance, 300 job creation or retention requirements and anticipated wage rates, (vii) 301 the amount of investments from private and other nonstate sources 302 that have been leveraged by the assistance, (viii) the extent to which 303 employees of the recipient participate in health benefit plans offered 304 by such recipient, (ix) the extent to which the recipient offers unique 305 economic, social, cultural or aesthetic attributes to the municipality in 306 which the recipient is located or to the state, and (x) the amount of 307 state investment;
- 308 (C) A portfolio analysis, including (i) an analysis of the wages paid 309 by recipients of financial assistance, (ii) the average portfolio wage, 310 median portfolio wage, highest and lowest portfolio wage, (iii) 311 portfolio wage data by industry, and (iv) portfolio wage data by 312 municipality;
 - (D) An investment analysis, including (i) total portfolio value, (ii) total investment by industry, (iii) portfolio dollar per job average, (iv) portfolio leverage ratio, and (v) percentage of financial assistance which was provided to high performance work organizations in the preceding state fiscal year; and
 - (E) An analysis of the estimated economic effects of the department's economic development investments on the state's economy, including (i) contribution to gross state product for the total economic development portfolio and for any investment activity occurring in the preceding state fiscal year, (ii) direct and indirect employment created by the investments for the total portfolio and for any investment activity occurring in the preceding state fiscal year, (iii) productivity of recipients of financial assistance as a result of the department's investment occurring in the preceding state fiscal year, (iv) directly or indirectly increased property values in the municipalities in which the recipients of assistance are located, and (v) personal income.

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- 330 (4) An analysis of the community development portfolio of the 331 department, including:
- 332 (A) A list of the names, addresses and locations of all recipients of 333 the department's assistance;
- 334 (B) The following information concerning each recipient of such 335 assistance: (i) Amount of state investment, (ii) a summary of the terms 336 and conditions for the department's assistance, including the type and 337 amount of state financial assistance, and (iii) the amount of 338 investments from private and other nonstate sources that have been 339 leveraged by such assistance;
- 340 (C) An investment analysis, including (i) total active portfolio value, 341 (ii) total investments made in the preceding state fiscal year, (iii) total 342 portfolio by municipality, (iv) total investments made in the preceding 343 state fiscal year categorized by municipality, (v) total portfolio 344 leverage ratio, and (vi) leverage ratio of the total investments made in 345 the preceding state fiscal year; and

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- (D) An analysis of the estimated economic effects of the department's economic development investments on the state's economy, including (i) contribution to gross state product for the total portfolio and for any investment activity occurring in the preceding state fiscal year, (ii) direct and indirect employment created by the investments for the total portfolio and for any investment activity occurring in the preceding state fiscal year, (iii) productivity of recipients of financial assistance as a result of the department's investment occurring in the preceding state fiscal year, (iv) directly or indirectly increased property values in the municipalities in which the recipients are located, and (v) personal income.
- (5) A summary of the department's economic and community development marketing efforts in the preceding state fiscal year, a summary of the department's business recruitment strategies and activities in such year, and a summary of the department's efforts to assist small businesses and minority business enterprises in such year.

- (6) A summary of the department's international trade efforts in the preceding state fiscal year, and, to the extent possible, a summary of foreign direct investment that occurred in the state in such year.
- (7) Identification of existing economic clusters, the formation of new economic clusters, the measures taken by the commissioner during the preceding state fiscal year to encourage the growth of economic clusters and the amount of bond funds expended by the department during the previous fiscal year on each economic cluster.
- (8) (A) A summary of the department's brownfield-related efforts and activities within the Office of Brownfield Remediation and Development established pursuant to subsections (a) to (f), inclusive, of section 32-9cc in the preceding state fiscal year, except for activity under the Special Contaminated Property Remediation and Insurance Fund program. Such efforts shall include, but not be limited to, (i) total portfolio investment in brownfield remediation projects, (ii) total investment in brownfield remediation projects in the preceding state fiscal year, (iii) total number of brownfield remediation projects, (iv) total number of brownfield remediation projects in the preceding state fiscal year, (v) total of reclaimed and remediated acreage, (vi) total of reclaimed and remediated acreage in the preceding state fiscal year, (vii) leverage ratio for the total portfolio investment in brownfield remediation projects, and (viii) leverage ratio for the total portfolio investment in brownfield remediation projects in the preceding state fiscal year. Such summary shall include a list of such brownfield remediation projects and, for each such project, the name of the developer and the location by street address and municipality and a tracking of all funds administered through or by said office;
- (B) A summary of the department's efforts with regard to the Special Contaminated Property Remediation and Insurance Fund, including, but not limited to, (i) the number of applications received in the preceding state fiscal year, (ii) the number and amounts of loans made in such year, (iii) the names of the applicants for such loans, (iv) the average time period between submission of application and the

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- decision to grant or deny the loan, (v) a list of the applications approved and the applications denied and the reasons for such denials, and (vi) for each project, the location by street address and municipality; and
- 399 (C) A summary of the department's efforts with regard to the dry 400 cleaning grant program, established pursuant to section 12-263m, 401 including, but not limited to, (i) information as to the number of 402 applications received, (ii) the number and amounts of grants made 403 since the inception of the program, (iii) the names of the applicants, 404 (iv) the time period between submission of application and the 405 decision to grant or deny the loan, (v) which applications were 406 approved and which applications were denied and the reasons for any 407 denials, and (vi) a recommendation as to whether the surcharge and 408 grant program established pursuant to section 12-263m should 409 continue.
- 410 (9) The following information concerning enterprise zones 411 designated under section 32-70:
- 412 (A) A statement of the current goals for enterprise zones;
- (B) A statement of the current performance standards to measure the progress of municipalities that have enterprise zones in attaining the goals for such zones;
- 416 (C) A report from each municipality that has an enterprise zone, 417 which evaluates the progress of the municipality in meeting the 418 performance standards established under section 32-70a; and
- 419 (D) An assessment of the performance of each enterprise zone based 420 on information collected under subparagraph (C) of this subdivision.
- [(10) With regard to the department's housing-development-related functions and activities:
- (A) A brief description and assessment of the state's housing market during the preceding state fiscal year, utilizing the most recent and

- reasonably available data, and including, but not limited to, (i) a brief
- description of the significant characteristics of such market, including
- supply, demand and condition and cost of housing, and (ii) any other
- 428 information that the commissioner deems appropriate;
- 429 (B) A comprehensive assessment of current and future needs for
- 430 rental assistance under section 8-119kk for housing projects for the
- 431 elderly and disabled, in consultation with the Connecticut Housing
- 432 Finance Authority;
- 433 (C) An analysis of the progress of the public and private sectors
- 434 toward meeting housing needs in the state, using building permit data
- 435 from the United States Census Bureau and demolition data from
- 436 Connecticut municipalities;
- (D) A list of municipalities that meet the affordable housing criteria
- set forth in subsection (k) of section 8-30g, pursuant to regulations that
- 439 the Commissioner of Economic and Community Development shall
- adopt pursuant to the provisions of chapter 54. For the purpose of
- determining the percentage required by subsection (k) of said section
- 442 8-30g, the commissioner shall use as the denominator the number of
- 443 dwelling units in the municipality, as reported in the most recent
- 444 United States decennial census; and
- 445 (E) A statement of the department's housing development
- objectives, measures of program success and standards for granting
- 447 financial and nonfinancial assistance under programs administered by
- 448 said commissioner.
- 449 (11) A presentation of the state-funded housing development
- 450 portfolio of the department, including:
- 451 (A) A list of the names, addresses and locations of all recipients of
- 452 such assistance; and
- 453 (B) For each such recipient, (i) a summary of the terms and
- 454 conditions for the assistance, including the type and amount of state

- financial assistance, (ii) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (iii) the number of new units to be created and the number of units to be preserved at the time of the application, and (iv) the number of actual
- new units created and number of units preserved.
- 460 (12) An analysis of the state-funded housing development portfolio 461 of the department, including:
 - (A) An investment analysis, including the (i) total active portfolio value, (ii) total investment made in the preceding state fiscal year, (iii) portfolio dollar per new unit created, (iv) estimated dollars per new unit created for projects receiving an assistance award in the preceding state fiscal year, (v) portfolio dollars per unit preserved, (vi) estimated dollar per unit preserved for projects receiving an assistance award in the preceding state fiscal year, (vii) portfolio leverage ratio, and (viii) leverage ratio for housing development investments made in the preceding state fiscal year; and
 - (B) A production and preservation analysis, including (i) the total number of units created, itemized by municipality, for the total portfolio and projects receiving an assistance award in the preceding state fiscal year, (ii) the total number of elderly units created for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (iii) the total number of family units created for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (iv) the total number of units preserved, itemized by municipality, for the total portfolio and projects receiving an assistance award in the preceding state fiscal year, (v) the total number of elderly units preserved for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (vi) the total number of family units preserved for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (vii) an analysis by income group of households served by the department's housing construction, substantial rehabilitation, purchase and rental assistance programs, for

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488 each housing development, if applicable, and for each program, 489 including number of households served under each program by race 490 and data for all households, and (viii) a summary of the department's 491 efforts in promoting fair housing choice and racial and economic 492 integration, including data on the racial composition of the occupants 493 and persons on the waiting list of each housing project that is assisted 494 under any housing program established by the general statutes or a 495 special act or that is supervised by the department, provided no 496 information shall be required to be disclosed by any occupant or 497 person on a waiting list for the preparation of such summary. As used 498 in this subparagraph, "elderly units" means dwelling units for which 499 occupancy is restricted by age, and "family units" means dwelling 500 units for which occupancy is not restricted by age.

- 501 (13) An economic impact analysis of the department's housing 502 development efforts and activities, including, but not limited to:
- 503 (A) The contribution of such efforts and activities to the gross state 504 product;
 - (B) The direct and indirect employment created by the investments for the total housing development portfolio and for any investment activity for such portfolio occurring in the preceding state fiscal year; and
- 509 (C) Personal income in the state.
- 510 (14) With regard to the Housing Trust Fund and Housing Trust 511 Fund program, as those terms are defined in section 8-336m:
- 512 (A) Activities for the prior fiscal year of the Housing Trust Fund and 513 the Housing Trust Fund program; and
- 514 (B) The efforts of the department to obtain private support for the 515 Housing Trust Fund and the Housing Trust Fund program.
- 516 (15) With regard to the department's energy conservation loan 517 program:

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- 518 (A) The number of loans or deferred loans made during the 519 preceding fiscal year under each component of such program and the 520 total amount of the loans or deferred loans made during such fiscal 521 year under each such component;
- 522 (B) A description of each step of the loan or deferred loan 523 application and review process;
- 524 (C) The location of each loan or deferred loan application intake site 525 for such program;
- 526 (D) The average time period for the processing of loan or deferred 527 loan applications during such fiscal year; and
- 528 (E) The total administrative expenses of such program for such 529 fiscal year.]
- [(16)] (10) A summary of the total social and economic impact of the department's efforts and activities in the areas of economic [,] and community [and housing] development, and an assessment of the department's performance in terms of meeting its stated goals and objectives.
- 535 (b) Any annual report that is required from the department by any 536 provision of the general statutes shall be incorporated into the annual 537 report provided pursuant to subsection (a) of this section.
- Sec. 8. Section 32-1n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 540 Not later than December 31, 2006, the Commissioner of [Economic 541 and Community Development shall prepare a report (1) indicating 542 any amount of funds allocated by the Department of [Economic and] 543 Community Development during the fiscal year ending June 30, 2006, 544 for economic and industry cluster initiatives, and (2) including 545 recommendations concerning the adequacy of such funds, and shall 546 submit such report to the Governor and the joint standing committees 547 of the General Assembly having cognizance of matters relating to

- 548 commerce, finance, revenue and bonding and appropriations, in 549 accordance with the provisions of section 11-4a.
- Sec. 9. Section 32-10 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 552 (a) On or before July 1, 2009, and every five years thereafter, the 553 Commissioner of [Economic and] Community Development, within 554 available appropriations, shall prepare an economic strategic plan for 555 the state in consultation with the Secretary of the Office of Policy and 556 Management, the Commissioners of Environmental Protection and 557 Transportation, the Labor Commissioner, the executive directors of the 558 Connecticut Housing Finance Authority, the Connecticut Development 559 Authority, [the] Connecticut Innovations, Inc., [the Commission on 560 Culture and Tourism and the Connecticut Health and Educational 561 Facilities Authority, [and the president of the Office of Workforce 562 Competitiveness,] or their respective designees, and any other agencies 563 the Commissioner of [Economic and] Community Development deems 564 appropriate.
 - (b) In developing the plan, the Commissioner of [Economic and] Community Development shall:
 - (1) Ensure that the plan is consistent with (A) the text and locational guide map of the state plan of conservation and development, adopted pursuant to chapter 297, (B) the long-range state housing plan, adopted pursuant to section 8-37t, and (C) the transportation strategy adopted pursuant to section 13b-57g;
 - (2) Consult regional councils of governments, regional planning organizations, regional economic development agencies, interested state and local officials, entities involved in economic and community development, stakeholders and business, economic, labor, community and housing organizations;
- 577 (3) Consider (A) regional economic, community and housing 578 development plans, and (B) applicable state and local workforce

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- 580 (4) Assess and evaluate the economic development challenges and opportunities of the state and against the economic development competitiveness of other states and regions; and
- 583 (5) Host regional forums to provide for public involvement in the planning process.
- 585 (c) The strategic plan required under this section shall include, but 586 not be limited to, the following:
 - (1) A review and evaluation of the economy of the state. Such review and evaluation shall include, but not be limited to, a sectoral analysis, housing market and housing affordability analysis, labor market and labor quality analysis, demographic analysis and include historic trend analysis and projections;
 - (2) A review and analysis of factors, issues and forces that impact or impede economic development and responsible growth in Connecticut and its constituent regions. Such factors, issues or forces shall include, but not be limited to, transportation, including, but not limited to, commuter transit, rail and barge freight, technology transfer, brownfield remediation and development, health care delivery and costs, early education, primary education, secondary postsecondary education systems and student performance, business regulation, labor force quality and sustainability, social services costs and delivery systems, affordable and workforce housing cost and availability, land use policy, emergency preparedness, taxation, availability of capital and energy costs and supply;
 - (3) Identification and analysis of economic clusters that are growing or declining within the state;
 - (4) An analysis of targeted industry sectors in the state that (A) identifies those industry sectors that are of current or future importance to the growth of the state's economy and to its global

- competitive position, (B) identifies what those industry sectors need for continued growth, and (C) identifies, those industry sectors current and potential impediments to growth;
- 612 (5) A review and evaluation of the economic development structure 613 in the state, including, but not limited to, (A) a review and analysis of 614 the past and current economic, community and housing development 615 structures, budgets and policies, efforts and responsibilities of its 616 constituent parts in Connecticut; and (B) an analysis of the 617 performance of the current economic, community and housing 618 development structure, and its individual constituent parts, in meeting 619 its statutory obligations, responsibilities and mandates and their 620 impact on economic development and responsible growth in 621 Connecticut;
- 622 (6) Establishment and articulation of a vision for Connecticut that 623 identifies where the state should be in five, ten, fifteen and twenty 624 years;
 - (7) Establishment of clear and measurable goals and objectives for the state and regions, to meet the short and long-term goals established under this section and provide clear steps and strategies to achieve said goals and objectives, including, but not limited to, the following: (A) The promotion of economic development and opportunity, (B) the fostering of effective transportation access and choice including the use of airports and ports for economic development, (C) enhancement and protection of the environment, (D) maximization of the effective development and use of the workforce consistent with applicable state or local workforce investment strategy, (E) promotion of the use of technology in economic development, including access to high-speed telecommunications, and (F) the balance of resources through sound management of physical development;
 - (8) Prioritization of goals and objectives established under this section;
- 640 (9) Establishment of relevant measures that clearly identify and

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- quantify (A) whether a goal and objective is being met at the state, regional, local and private sector level, and (B) cause and effect
- relationships, and provides a clear and replicable measurement
- 644 methodology;
- (10) Recommendations on how the state can best achieve goals
 under the strategic plan and provide cost estimates for implementation
 of the plan and the projected return on investment for those areas; and
- 648 (11) Any other responsible growth information that the commissioner deems appropriate.
- (d) On or before July 1, 2009, and every five years thereafter, the Commissioner of [Economic and] Community Development shall submit an economic development strategic plan for the state to the Governor for approval. The Governor shall review and approve or disapprove such plan not more than sixty days after submission. The plan shall be effective upon approval by the Governor or sixty days after the date of submission.
 - (e) Upon approval, the commissioner shall submit the economic development strategic plan to the joint standing committees of the General Assembly having cognizance of matters relating to commerce, planning and development, appropriations and the budgets of state agencies and finance, revenue and bonding. Not later than thirty days after such submission, the commissioner shall post the plan on the web site of the Department of [Economic and] Community Development.
 - (f) The commissioner from time to time, may revise and update the strategic plan upon approval of the Governor. The commissioner shall post any such revisions on the web site of the Department of [Economic and] Community Development.
- Sec. 10. Section 32-4h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- Not later than August 1, 1997, and annually thereafter, the

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- 671 Ichairperson of the board of directors of the Connecticut Development 672 Authority and the chairperson of the board of directors of Connecticut of 673 Innovations, Incorporated] Commissioner Community Development shall submit a report to the joint standing committee of 674 675 the General Assembly having cognizance of matters relating to the 676 Department of [Economic and] Community Development, 677 accordance with the provisions of section 11-4a, which details the 678 amount of bond funds expended during the previous fiscal year on 679 each economic cluster in the state by the quasi-public agency 680 administered by such chairperson.
- Sec. 11. Section 32-5a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2009):

The Commissioner of [Economic and] Community Development and the board of directors of the Connecticut Development Authority shall require, as a condition of any financial assistance provided on and after June 23, 1993, under any program administered by the Department of [Economic and] Community Development or such authority to any business organization, that such business organization: (1) Shall not relocate outside of the state for ten years after receiving such assistance or during the term of a loan or loan guarantee, whichever is longer, unless the full amount of the assistance is repaid to the state and a penalty equal to five per cent of the total assistance received is paid to the state; and (2) shall, if the business organization relocates within the state during such period, offer employment at the new location to its employees from the original location if such employment is available. For the purposes of subdivision (1) of this section, the value of a guarantee shall be equal to the amount of the state's liability under the guarantee. As used in this section, "relocate" means the physical transfer of the operations of a business in its entirety or of any division of a business which independently receives any financial assistance from the state from the location such business or division occupied at the time it accepted the financial assistance to another location. Notwithstanding the provisions of this section, the Commissioner of [Economic and]

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- 705 Community Development shall adopt regulations in accordance with
- 706 chapter 54 to establish the terms and conditions of repayment,
- 707 including specifying the conditions under which repayment may be
- 708 deferred, following a determination by the commissioner of a
- 709 legitimate hardship.
- Sec. 12. Section 32-5b of the general statutes is repealed and the
- 711 following is substituted in lieu thereof (*Effective July 1, 2009*):
- Not later than July 1, 1996, the Commissioner of [Economic and]
- 713 Community Development shall adopt regulations in accordance with
- 714 the provisions of chapter 54, establishing deadlines for the approval or
- 715 disapproval of applications for financial assistance by the Department
- of [Economic and] Community Development.
- Sec. 13. Section 32-6 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2009*):
- 719 (a) The [management and control of] Department of Community
- 720 <u>Development shall manage and control</u> the operation and affairs of the
- 721 Connecticut building at the Eastern States Exposition at West
- Springfield. [shall be in the charge of the Department of Economic and
- 723 Community Development. Maintenance of] <u>The Department of Public</u>
- 724 <u>Works shall maintain</u> the land and building. [shall be the responsibility
- of the Department of Public Works. Coverage] <u>The Comptroller shall</u>
- be responsible for coverage by fire and casualty insurance. [shall be the
- 727 responsibility of the Comptroller.] The [building and land shall be
- 728 used by the] Department of [Economic and] Community
- 729 Development, in cooperation with public and private agencies, shall
- 730 <u>use the building and the land</u> to conduct an educational exhibit [which
- 731 will] to promote the agricultural, industrial, recreational and other
- 732 physical and natural resources of this state.
- 733 (b) (1) There is established an account to be known as the
- 734 Connecticut Eastern States Exposition account. The account shall
- 735 contain any moneys required by law to be deposited in the account
- and shall be a separate, nonlapsing account of the General Fund.

- 737 Investment earnings credited to the account shall become part of the
- assets of the account. Any balance remaining in said account at the end
- of any fiscal year shall be carried forward in the account for the next
- 740 fiscal year.
- 741 (2) There shall be deposited in the Connecticut Eastern States
- Exposition account any proceeds realized by the state from activities
- 743 pursuant to this section.
- 744 (3) Amounts in the Connecticut Eastern States Exposition account
- shall be available to fund the cost of any activities of the Department of
- 746 [Economic and] Community Development pursuant to this section,
- 747 including administrative costs related to such activities.
- Sec. 14. Section 32-8a of the general statutes is repealed and the
- 749 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 750 The Department of [Economic and] Community Development shall
- 751 maintain a registry of qualifying electronic commerce or information
- 752 technology intensive companies for the purposes of sections 10a-169a
- 753 and 10a-169b. [An] The department shall make an updated registry
- 754 [shall be made] available on the department's web page.
- 755 Sec. 15. Section 32-9c of the general statutes is repealed and the
- 756 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 757 (a) In accordance with the provisions of section 4-38d, all powers
- and duties of the Connecticut Development Commission under the
- 759 provisions of chapter 579, shall be transferred to the Connecticut
- 760 Development Authority and all the powers and duties of said
- 761 commission under the provisions of this chapter shall be transferred to
- 762 the Department of [Economic and] Community Development.
- 763 (b) In accordance with the provisions of section 4-38d, all powers
- and duties of the Connecticut Development Commission under the
- 765 provisions of sections 7-137b, 8-155 to 8-159, inclusive, and 8-170 to 8-
- 766 185, inclusive, shall be transferred to the Department of [Economic

- 767 and] Community Development and the words "Connecticut
- 768 Development Commission" or "commissioner" used in said sections,
- 769 shall mean "Department of [Economic and] Community
- 770 Development".
- 771 (c) In accordance with the provisions of section 4-38d, all powers
- and duties of the Connecticut Development Commission under the
- provisions of sections 8-163 to 8-167, inclusive, shall be transferred to
- the Department of [Economic and] Community Development and the
- 775 words "Connecticut Development Commission" and "Development
- 776 Commission" when used in said sections shall mean "Department of
- 777 [Economic and] Community Development".
- 778 Sec. 16. Section 32-9i of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2009*):
- 780 (a) A job incentive account is hereby created within the General
- Fund. There shall be deposited in said account all moneys received by
- 782 or appropriated to the Department of [Economic and] Community
- 783 Development from time to time therefor. In order to stimulate and
- 784 encourage the creation and growth of jobs in areas of high
- 785 unemployment, the state, acting by the Department of [Economic and]
- 786 Community Development, may provide job incentive grants to eligible
- businesses, whose new or expanded facilities are located in an eligible
- 788 municipality having high unemployment and which facility results in
- 789 the creation of not less than five full-time jobs, as provided in sections
- 790 32-9i to 32-9l, inclusive.
- 791 (b) Amounts in the job incentive account shall be used for the
- 792 purpose of making such grants to businesses which are eligible for
- such assistance, and which make application for and receive approval
- 794 for such assistance from the Commissioner of [Economic and]
- 795 Community Development.
- Sec. 17. Section 32-9j of the general statutes is repealed and the
- 797 following is substituted in lieu thereof (*Effective July 1, 2009*):

For the purposes of sections 32-9i to 32-9l, inclusive, the following terms shall have the following meanings unless the context indicates another meaning and intent:

- (a) "Eligible municipality" means any municipality in the state which is a distressed municipality as defined in subsection (b) of section 32-9p, and any other municipality in the state which has a population of not less than ten thousand and which has a rate of unemployment which exceeds one hundred ten per cent of the state's average rate of unemployment, as determined by the Labor Department, for the calendar year preceding the determination of such eligibility, provided no other municipality with unemployment rate of less than six per cent shall be eligible. Eligible municipalities shall be designated by the Department of [Economic and Community Development.
- (b) "Eligible business facility" means (1) a business facility located in an eligible municipality and for which a certificate of eligibility or commitment letter has been issued by the department prior to March 1, 1991; or (2) a business facility for which a certificate of eligibility has been issued by the department and which is located in an enterprise zone designated pursuant to section 32-70. A business facility for which such a certificate is issued shall be deemed an eligible business facility only during the twenty-four-month period following the day on which the certificate of eligibility is issued. A business facility may not become an eligible business facility for the purposes of sections 32-9i to 32-9l, inclusive, unless it meets each of the following requirements: (A) It is a facility which does not primarily serve said eligible municipality in which it is located. A facility shall be deemed to meet this requirement if it is used primarily for the manufacturing, processing or assembling of raw materials or manufactured products, or for research or industrial warehousing, or any combination thereof or, if located in an enterprise zone designated pursuant to section 32-70, it is to be used by an establishment, an auxiliary or an operating unit of an establishment, as such terms are defined in the Standard Industrial Classification Manual, in the categories of depository

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832 institutions, nondepository credit institutions, insurance carriers, 833 holding or other investment offices, business services, health services, 834 fishing, hunting and trapping, motor freight transportation and 835 warehousing, transportation, transportation water by air, 836 transportation services, security and commodity brokers, dealers, 837 exchanges and services or engineering, accounting, 838 management and related services from the Standard Industrial 839 Classification Manual, which establishment, auxiliary or operating unit 840 shows a strong performance in exporting goods and services, as 841 defined by the commissioner through regulations adopted in 842 accordance with the provisions of chapter 54. A facility shall not be 843 deemed to meet this requirement if (i) it is used primarily in making 844 retail sales of goods or services to customers who personally visit such 845 facility to obtain such goods or services, or (ii) it is used primarily as a 846 hotel, apartment house or other place of business which furnishes 847 dwelling space or accommodations to either residents or transients; (B) 848 it is a facility which is newly constructed or has undergone major 849 expansion or renovation as determined by the Commissioner of 850 [Economic and] Community Development, and (C) it is a facility 851 which will create in the eligible municipality in which it is located, as a 852 direct result of such construction, expansion or renovation, not less 853 than five new employment positions, or in the case of a facility located 854 in an enterprise zone designated pursuant to section 32-70, not less 855 than three new employment positions in the enterprise zone.

- (c) "Commissioner" means the Commissioner of [Economic and] Community Development.
- (d) "Department" means the Department of [Economic and] Community Development.
- 860 (e) "Eligibility period" means the twenty-four-month period 861 following the day on which the certificate of eligibility is issued.
- (f) "Full-time employee" means an employee who works a minimum of thirty-five hours per week.

Sec. 18. Section 32-9n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

[(a) There is established within the] The Department of [Economic and Community Development [an Office of Small Business Affairs] may, in the course of implementing the economic development policy of the state, contract with other state agencies, for-profit companies or nonprofit organizations to provide services related to small business affairs. Such [office] contracts shall aid and encourage small business enterprises, particularly those owned and operated by minorities and socially or economically disadvantaged individuals in Connecticut. As used in this section, minority means: (1) Black Americans, including all persons having origins in any of the Black African racial groups not of Hispanic origin; (2) Hispanic Americans, including all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; (3) all persons having origins in the Iberian Peninsula, including Portugal, regardless of race; (4) women; (5) Asian Pacific Americans and Pacific islanders; or (6) American Indians and persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

[(b) Said Office of Small Business Affairs shall: (1) Administer the small business development center program run by the Department of Economic and Community Development; (2) coordinate the flow of information within the technical and management assistance program run by the Department of Economic and Community Development; (3) encourage the Connecticut Development Authority to grant loans to small businesses, particularly those owned and operated by minorities and other socially or economically disadvantaged individuals; (4) coordinate and serve as a liaison between all federal, state, regional and municipal agencies and programs affecting small business affairs; and (5) administer any business management training program established under section 32-352 or section 32-355 as the Commissioner of Economic and Community Development may determine.]

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Sec. 19. Section 32-9q of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

- (a) An Employment Incentive Revolving Fund is hereby created. In order to encourage business expansion and location in distressed municipalities, the state, acting through the Department of [Economic and Community Development may make working capital loans to any industrial business organization in a distressed municipality which has or is reasonably expected to create new employment in the municipality. The business organization will be considered to have created new employment in such municipality if the number of persons employed by such business organization as a result of such loan has increased or is expected to increase by more than five. Working capital loans under this section shall not exceed seventy-five thousand dollars in amount nor ten years in term for any single loan and shall not be made unless the borrower receives concurrently with such loan another working capital loan from a private financial institution or local development corporation, as defined in Sections 501, 502 and 503 of the Small Business Investment Act, Public Law 699, as amended, in an amount at least equal to the amount of the working capital loan made by the state. Such working capital loans made by the state or by a private financial institution may be either secured or unsecured. Any business organization receiving a working capital loan from the state under this section shall demonstrate to the satisfaction of the Commissioner of [Economic and] Community Development that the availability of such loan was an important factor in the decision of such business organization to locate or expand in such distressed municipality.
- (b) The state, acting through the Commissioner of [Economic and] Community Development, may make loans under this section to any nonprofit state or local development corporation. The purposes of such loans shall include, but not be limited to, working capital, start-ups and fixed assets. Such loans shall not exceed in the aggregate five hundred thousand dollars.

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- (c) The Commissioner of [Economic and] Community Development shall charge and collect interest on each loan extended by the state under this section at a rate not in excess of one per cent above the rate of interest borne by the bonds of the state last issued prior to the date such loan is made. Payments of principal and interest on such loans paid to the Treasurer for deposit in the Employment Incentive Revolving Fund shall be transferred to the Connecticut Growth Fund established under section 32-23v.
- (d) The Commissioner of [Economic and] Community Development shall adopt regulations in accordance with chapter 54 to carry out the provisions of this section. Such regulations shall establish loan procedures, repayment terms, security requirements, default and remedy provisions and such other terms and conditions as said commissioner shall deem appropriate.
- (e) For the purposes of this section the State Bond Commission shall have power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five hundred thousand dollars. All provisions of section 3-20 and the exercise of any right or power granted thereby which is not inconsistent with the provisions of this section, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by the Secretary of the Office of Policy and Management or by or on behalf of such state officer, department or agency and stating such terms and conditions as said commission, in its discretion, may require. Bonds issued pursuant to this section shall be general obligations of the state and the full faith

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- and credit of the state of Connecticut are pledged for the payment of
- 966 the principal of and interest on said bonds as the same become due.
- 967 Accordingly, and as part of the contract of the state with the holders of
- 968 said bonds, appropriation of all amounts necessary for punctual
- 969 payment of such principal and interest is hereby made, and the
- 970 Treasurer shall pay such principal and interest as the same become
- 971 due.
- 972 Sec. 20. Subdivision (1) of subsection (a) of section 32-9t of the
- 973 general statutes is repealed and the following is substituted in lieu
- 974 thereof (*Effective July 1, 2009*):
- 975 (1) "Commissioner" means the Commissioner of [Economic and]
- 976 Community Development.
- 977 Sec. 21. Section 32-9kk of the general statutes is repealed and the
- 978 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 979 (a) As used in subsections (b) to (k), inclusive, of this section:
- 980 (1) "Brownfield" means any abandoned or underutilized site where
- 981 redevelopment and reuse has not occurred due to the presence or
- 982 potential presence of pollution in the buildings, soil or groundwater
- 983 that requires remediation before or in conjunction with the restoration,
- 984 redevelopment and reuse of the property;
- 985 (2) "Commissioner" means the Commissioner of [Economic and]
- 986 Community Development;
- 987 (3) "Department" means the Department of [Economic and]
- 988 Community Development;
- 989 (4) "Eligible applicant" means any municipality, a for-profit or
- 990 nonprofit organization or entity, a local or regional economic
- 991 development entity acting on behalf of a municipality or any
- 992 combination thereof;
- 993 (5) "Financial assistance" means grants, extensions of credit, loans or

- loan guarantees, participation interests in loans made to eligible applicants by the Connecticut Development Authority or combinations thereof:
- 997 (6) "Municipality" means a town, city, consolidated town and city or 998 consolidated town and borough;
- 999 (7) "Eligible brownfield project" means the foreclosure, 1000 investigation, assessment, remediation and development of a 1001 brownfield undertaken pursuant to this subsection and subsections (b) 1002 to (k), inclusive, of this section;
- 1003 (8) "Project area" means the area within which a brownfield 1004 development project is located;
- 1005 (9) "Real property" means land, buildings and other structures and 1006 improvements thereto, subterranean or subsurface rights, any and all 1007 easements, air rights and franchises of any kind or nature;
- 1008 (10) "State" means the state of Connecticut; and
- 1009 (11) "Eligible grant recipients" means municipalities, economic development authorities, regional economic development authorities, or qualified nonprofit community and economic development corporations.
- (b) Subject to the availability of funds, the Commissioner of [Economic and] Community Development may, in consultation with the Commissioner of Environmental Protection, contract with other state agencies, for-profit companies and nonprofit organizations to provide financial assistance pursuant to subsections (e) and (f) of this section in support of eligible brownfield projects, as defined in subdivision (7) of subsection (a) of this section.
- (c) An eligible applicant, as defined in subdivision (4) of subsection (a) of this section, shall submit an application for financial assistance to the Commissioner of [Economic and] Community Development on forms provided by said commissioner and with such information said

1024 commissioner deems necessary, including, but not limited to: (1) A 1025 description of the proposed project; (2) an explanation of the expected 1026 benefits of the project in relation to the purposes of subsections (a) to 1027 (i), inclusive, of this section; (3) information concerning the financial and technical capacity of the eligible applicant to undertake the 1028 1029 proposed project; (4) a project budget; (5) a description of the condition 1030 of the property involved including the results of any environmental 1031 assessment of the property; and (6) the names of any persons known to 1032 be liable for the remediation of the property.

(d) The commissioner may approve, reject or modify any application properly submitted. In reviewing an application and determining the type and amount of financial assistance, if any, to be provided, the commissioner shall consider the following criteria: (1) The availability of funds; (2) the estimated costs of assessing and remediating the site, if known; (3) the relative economic condition of the municipality; (4) the relative need of the eligible project for financial assistance; (5) the degree to which financial assistance is necessary as an inducement to the eligible applicant to undertake the project; (6) the public health and environmental benefits of the project; (7) relative economic benefits of the project to the municipality, the region and the state, including, but not limited to, the extent to which the project will likely result in a contribution to the municipality's tax base and the retention and creation of jobs; (8) the time frame in which the contamination occurred; (9) the relationship of the applicant to the person or entity that caused the contamination; (10) the length of time the property has been abandoned; (11) the taxes owed and the projected revenues that may be restored to the community; (12) the type of financial assistance requested pursuant to this section; and (13) such other criteria as the commissioner may establish consistent with the purposes of subsection (a) to (k), inclusive, of this section.

(e) (1) There is established a remedial action and redevelopment municipal grant program to be administered by the Department of [Economic and] Community Development for the purpose of providing financial assistance in the form of grants to eligible grant

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recipients. Eligible grant recipients may use grant funds for any development project, including manufacturing, retail, residential, municipal, educational, parks, community centers and mixed-use development, and the project's associated costs, including (A) soil, groundwater and infrastructure investigation, (B) assessment, (C) remediation, (D) abatement, (E) hazardous materials or waste disposal, (F) long-term groundwater or natural attenuation monitoring, (G) environmental land use restrictions, (H) attorneys' fees, (I) planning, engineering and environmental consulting, and (J) building and structural issues, including demolition, asbestos polychlorinated biphenyls removal, contaminated wood or paint removal, and other infrastructure remedial activities.

- (2) The Commissioner of [Economic and] Community Development shall contract with other state agencies, for-profit companies and nonprofit organizations to award grants on a competitive basis, based at a minimum on an annual request for applications, the first of which shall be issued on October 1, 2008, and the following to be issued on June first each year, with awards being made by the following January first. The commissioner, at the commissioner's discretion, may increase the frequency of requests for applications and awards depending upon the number of applicants and the availability of funding.
- (3) A grant awarded pursuant to this section shall not exceed four million dollars. If the eligible costs exceed four million dollars, the commissioner may request and seek funding through other state programs.
- (4) If the eligible grant recipient develops and sells the property, such applicant shall return any money received pursuant to this subsection, to the brownfield remediation and development account established pursuant to subsection (l) of this section, minus twenty per cent, which such eligible grant recipient shall retain to cover costs of oversight, administration, development and, if applicable, lost tax revenue.

- 1090 (5) Any eligible grant recipient shall be immune from liability to the extent provided in subsection (a) of section 32-9ee.
 - (6) The eligible grant recipient may make low-interest loans to a redeveloper, if the future reuse is known and an agreement with the redeveloper is in place and the private party is a coapplicant. Loan principal and interest payments shall be returned to the brownfield remediation and development account established pursuant to subsection (l) of this section, minus twenty per cent of the principal, which the eligible grant recipient shall retain. If the eligible grant recipient provides a loan, such loan may be secured by a state or municipal lien on the property.
 - (7) Any eligible grant recipients that provide a loan pursuant to subdivision (6) of this subsection shall require the loan recipient to enter a voluntary program pursuant to section 22a-133x or 22a-133y with the Commissioner of Environmental Protection for brownfield remediation. The commissioner may use not more than five per cent of eligible grant or loan proceeds for reasonable administrative expenses.
 - (8) Notwithstanding section 22a-134a, the eligible grant recipient may acquire and convey its interest in the property without such recipient or the subsequent purchaser incurring liability, including any such liability incurred pursuant to section 22a-134a, provided the property was remediated pursuant to section 22a-133x or 22a-133y or pursuant to an order issued by the Commissioner of Environmental Protection and such remediation was performed in accordance with the standards adopted pursuant to section 22a-133k as determined by said commissioner or, if authorized by said commissioner, verified by a licensed environmental professional unless such verification has been rejected by said commissioner subsequent to an audit conducted by said commissioner and provided the subsequent purchaser has no direct or related liability for the site conditions.
 - (f) (1) The Department of [Economic and] Community Development shall contract with other state agencies, for-profit companies and

- 1122 nonprofit organizations to develop a targeted brownfield development 1123 loan program to provide financial assistance in the form of low-interest 1124 loans to eligible applicants who are potential brownfield purchasers 1125 who have no direct or related liability for the site conditions and 1126 eligible applicants who are existing property owners who (A) are 1127 currently in good standing and otherwise compliant with the 1128 Department of Environmental Protection's regulatory programs, (B) 1129 demonstrate an inability to fund the investigation and cleanup 1130 themselves, and (C) cannot retain or expand jobs due to the costs 1131 the investigating associated with and remediating 1132 contamination.
 - (2) The commissioner shall provide low-interest loans to eligible applicants who are purchasers or existing property owners pursuant to this section who seek to develop property for purposes of retaining or expanding jobs in the state or for developing housing to serve the needs of first-time home buyers. Loans shall be available to manufacturing, retail, residential or mixed-use developments, expansions or reuses. The commissioner shall provide loans based upon project merit and viability, the economic and community development opportunity, municipal support, contribution to the community's tax base, number of jobs, past experience of the applicant, compliance history and ability to pay.
 - (3) Any loan recipient who is a brownfields purchaser and who (A) receives a loan in excess of thirty thousand dollars, or (B) uses loan proceeds to perform a Phase II environmental investigation, shall be subject to section 22a-134a or shall enter a voluntary program for remediation of the property with the Department of Environmental Protection. Any loan recipient who is an existing property owner shall enter a voluntary program with the Department of Environmental Protection.
 - (4) Loans made pursuant to this subsection shall have such terms and conditions and shall be subject to such eligibility, loan approval and criteria, as determined by the commissioner. Such conditions shall

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- include, but not be limited to, performance requirements and commitments to maintain or retain jobs. Loan repayment shall coincide with the restoration of the site to a productive use or the completion of the expansion. Such loans shall be for a period not to exceed twenty years.
 - (5) If the property is sold before loan repayment, the loan is payable upon closing, with interest, unless the commissioner agrees otherwise. The commissioner may carry the loan forward as an encumbrance to the purchaser with the same terms and conditions as the original loan.
 - (6) Loans made pursuant to this subsection may be used for any purpose, including the present or past costs of investigation, assessment, remediation, abatement, hazardous materials or waste disposal, long-term groundwater or natural attenuation monitoring, costs associated with an environmental land use restriction, attorneys' fees, planning, engineering and environmental consulting costs, and building and structural issues, including demolition, asbestos abatement, polychlorinated biphenyls removal, contaminated wood or paint removal, and other infrastructure remedial activities.
 - (7) For any loan made pursuant to this subsection that is greater than fifty thousand dollars, the applicant shall submit a redevelopment plan that describes how the property will be used or reused for commercial, industrial or mixed-use development and how it will result in jobs and private investment in the community. For any residential development loan pursuant to this subsection, the developer shall agree that the development will provide the housing needs reasonable and appropriate for first-time home buyers or recent college graduates looking to remain in this state.
 - (8) The loan program established pursuant to this subsection shall be available to all qualified new and existing property owners. Recipients who use loans for commercial, industrial or mixed-use development shall agree to retain or add jobs, during the term of the loan, unless otherwise agreed to by the Department of [Economic and]

- Community Development, the Connecticut Development Authority and the Connecticut Brownfield Redevelopment Authority. The residential developer shall agree to retire the loan upon sale of the units unless the development will be apartments.
 - (9) Each loan recipient pursuant to this subsection may be eligible for up to two million dollars per year for up to two years, subject to agency underwriting and reasonable and customary requirements to assure performance. If additional funds are needed, the Commissioner of [Economic and] Community Development may recommend that the project be funded through the State Bond Commission.
 - (g) The Commissioner of [Economic and] Community Development shall approve applications submitted in accordance with subsection (c) of this section before awarding any financial assistance to an eligible applicant or purchasing any participation interest in a loan made by the Connecticut Development Authority for the benefit of an eligible applicant. Notwithstanding any other provision of this section, if the applicant's request for financial assistance involves the department purchasing a participation interest in a loan made by the Connecticut Development Authority, such authority may submit such application and other information as is required of eligible applicants under subsection (c) of this section on behalf of such eligible applicant and no further application shall be required of such eligible applicant. No financial assistance shall exceed fifty per cent of the total project cost, provided in the case of (1) planning or site evaluation projects, and (2) financial assistance to any project in a targeted investment community, such assistance shall not exceed ninety per cent of the project cost. Upon approval of the commissioner, a nonstate share of the total project cost, if any, may be satisfied entirely or partially from noncash contributions, including contributions of real property, from private sources or, to the extent permitted by federal law, from moneys received by the municipality under any federal grant program.
- (h) Financial assistance may be made available for (1) site investigation and assessment, (2) planning and engineering, including,

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but not limited to, the reasonable cost of environmental consultants, laboratory analysis, investigatory and remedial contractors, architects, attorneys' fees, feasibility studies, appraisals, market studies and related activities, (3) the acquisition of real property, provided financial assistance for such acquisition shall not exceed fair market value as appraised as if clean, (4) the construction of site and infrastructure improvements related to the site remediation, (5) demolition, asbestos abatement, hazardous waste removal, PCB removal and related infrastructure remedial activities, (6) remediation, groundwater monitoring, including, but not limited to, natural attenuation groundwater monitoring and costs associated with filing an environmental land use restriction, (7) environmental insurance, and (8) other reasonable expenses the commissioner determines are necessary or appropriate for the initiation, implementation and completion of the project. The department may purchase participation interests in loans made by the Connecticut Development Authority for the foregoing purposes.

- (i) The commissioner may establish the terms and conditions of any financial assistance provided pursuant to subsections (a) to (k), inclusive, of this section. The commissioner may make any stipulation in connection with an offer of financial assistance the commissioner deems necessary to implement the policies and purposes of such sections, including, but not limited to the following: (1) Providing assurances that the eligible applicant will discharge its obligations in connection with the project; and (2) requiring that the eligible applicant provide the department with appropriate security for such financial assistance, including, but not limited to, a letter of credit, a lien on real property or a security interest in goods, equipment, inventory or other property of any kind.
- 1249 (j) The commissioner may use any available funds for financial assistance under the provisions of subsections (a) to (k), inclusive, of this section.
- 1252 (k) Whenever funds are used pursuant to subsections (a) to (k),

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inclusive, of this section for purposes of environmental assessments or remediation of a brownfield, the Commissioner of Environmental Protection may seek reimbursement of the costs and expenses incurred by requesting the Attorney General to bring a civil action to recover such costs and expenses from any party responsible for such pollution provided no such action shall be brought separately from any action to recover costs and expenses incurred by the Commissioner of Environmental Protection in pursuing action to contain, remove or mitigate any pollution on such site. The costs and expenses recovered may include, but shall not be limited to, (1) the actual cost of identifying, evaluating, planning for and undertaking the remediation of the site; (2) any administrative costs not exceeding ten per cent of the actual costs; (3) the costs of recovering the reimbursement; and (4) interest on the actual costs at a rate of ten per cent a year from the date such expenses were paid. The defendant in any civil action brought pursuant to this subsection shall have no cause of action or claim for contribution against any person with whom the Commissioner of Environmental Protection has entered into a covenant not to sue pursuant to sections 22a-133aa and 22a-133bb with respect to pollution on or emanating from the property that is the subject of said civil action. Funds recovered pursuant to this section shall be deposited in the brownfield remediation and development account established pursuant to subsections (l) to (o), inclusive, of this section. The provisions of this subsection shall be in addition to any other remedies provided by law.

(l) There is established a separate nonlapsing account within the General Fund to be known as the "brownfield remediation and development account". There shall be deposited in the account: (1) The proceeds of bonds issued by the state for deposit into said account and used in accordance with this section; (2) repayments of assistance provided pursuant to subsection (c) of section 22a-133u; (3) interest or other income earned on the investment of moneys in the account; (4) funds recovered pursuant to subsection (i) of this section; and (5) all funds required by law to be deposited in the account. Repayment of

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- 1287 principal and interest on loans made pursuant to subsections (a) to (k),
- inclusive, of this section shall be credited to such account and shall
- 1289 become part of the assets of the account. Any balance remaining in
- such account at the end of any fiscal year shall be carried forward in
- the account for the fiscal year next succeeding.
- 1292 (m) All moneys received in consideration of financial assistance,
- 1293 including payments of principal and interest on any loans, shall be
- 1294 credited to the account. At the discretion of the Commissioner of
- 1295 [Economic and] Community Development and subject to the approval
- of the Secretary of the Office of Policy and Management, any federal,
- 1297 private or other moneys received by the state in connection with
- 1298 projects undertaken pursuant to subsections (a) to (k), inclusive, of this
- section shall be credited to the assets of the account.
- (n) Notwithstanding any provision of law, proceeds from the sale of
- bonds available pursuant to subdivision (1) of subsection (b) of section
- 1302 4-66c may, with the approval of the Governor and the State Bond
- 1303 Commission, be used to capitalize the brownfield remediation and
- development account created by subsections (l) to (o), inclusive, of this
- 1305 section.
- 1306 (o) The commissioner may, with the approval of the Secretary of the
- 1307 Office of Policy and Management, provide financial assistance
- 1308 pursuant to subsections (a) to (k), inclusive, of this section from the
- 1309 account established under subsection (l) to (o), inclusive, of this
- 1310 section.
- 1311 Sec. 22. Section 32-9qq of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2009*):
- 1313 (a) It is hereby found and declared as a matter of legislative
- 1314 determination that there is a continuing need in the state for
- 1315 stimulation and encouragement of economic growth and development
- within the state through the establishment of business outreach centers
- located in certain regions of the state or for certain industry sectors to
- assist in providing services to small businesses and minority business

- 1319 enterprises as defined in section 4a-60g in the areas of business plan 1320 development, financial projection and planning, loan packaging, business counseling and related follow-up services, including the 1322 monitoring of any of the foregoing.
 - (b) [The business outreach center challenge grant program is hereby created.] In order to stimulate and encourage economic growth and development, the state, acting through the Department of [Economic and Community Development, may contract with other state agencies, for-profit companies or nonprofit organizations to make grants for the establishment of business outreach centers located in certain regions of the state or for certain industry sectors to assist in providing services to small businesses and minority business enterprises. Such grants shall be made under such terms and conditions as the department deems appropriate and shall be payable from the proceeds of the sale of bonds authorized under subsection (f) of this section and funds received by the department from any other source, in accordance with the following provisions:
 - (1) [A] The department may contract with another state agency, a for-profit company or a nonprofit organization to develop a business outreach center [shall be any nonprofit or governmental entity providing or able to provide assistance to small businesses and minority business enterprises in the areas of business plan development, financial projection, loan package planning, including loan packaging for small businesses and minority business enterprises which are seeking financial assistance from the Connecticut Development Authority, business counseling and related monitoring and follow-up services.
 - (2) The department may require any entity receiving a grant pursuant to this section to obtain a matching grant in such amount as the department determines in its discretion. Such matching grant may include cash and in-kind contributions.
- 1350 (c) Grants may be made under this section to municipalities and

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other organizations for the purpose of providing funds to develop greenways, including, but not limited to, transportation-related greenways supported by the federal Transportation Equity Act for the 21st Century, as amended from time to time. The amount of any grant shall be as follows: (1) For transportation greenways projects that are part of interstate greenways, not more than twenty per cent of the project cost; (2) for transportation greenways projects that are local spurs from interstate greenways or that are intertown greenways projects, not more than ten per cent of the project cost; and (3) for greenways that are not transportation greenways, not more than half of the capital costs of the project.

- (d) Applications for grants under this section shall be submitted on forms provided by the department. When reviewing applications, the department shall consider such factors as the impact on certain regions of the state or certain industry sectors, the applicant's plan for outreach efforts designed to inform small businesses and minority business enterprises of available sources of financial and technical assistance and the commitment and capacity of the applicant to provide assistance to small businesses and minority business enterprises under this section.
- (e) Each grant made under this section shall be authorized pursuant to regulations adopted by the Department of [Economic and] Community Development in accordance with the provisions of chapter 54, which regulations may include, but shall not be limited to, provisions concerning application requirements, grant amounts and eligible use of funds, provided the amount of any grant under subsection (b) of this section shall be not more than the amount specified in said subsection.
- (f) For the purposes of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate two million five hundred thousand dollars. The proceeds of the sale of said bonds shall be used by the Department

of [Economic and] Community Development for grants under the business outreach center challenge grant program created under this section. All provisions of section 3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Said bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission in its discretion may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due. Net earnings on investments or reinvestments of proceeds, accrued interest and premiums on the issuance of such bonds, after payment therefrom of expenses incurred by the Treasurer or State Bond Commission in connection with their issuance, shall become part of the business outreach center challenge grant program.

Sec. 23. Section 32-9vv of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

The Department of [Economic and] Community Development shall establish, in consultation with the Connecticut Center for Advanced

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- 1418 Technology, a Connecticut Hydrogen-Fuel Cell Coalition.
- Sec. 24. Section 32-11a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 1421 (a) There is hereby created as a body politic and corporate, 1422 constituting a public instrumentality and political subdivision of the 1423 state created for the performance of an essential public and 1424 governmental function, the Connecticut Development Authority 1425 which is empowered to carry out the purposes of the authority, as 1426 defined in subsection (t) of section 32-23d, which are hereby 1427 determined to be public purposes for which public funds may be 1428 expended. The Connecticut Development Authority shall not be 1429 construed to be a department, institution or agency of the state.
 - (b) All notes, bonds or other obligations issued by the Connecticut Development Commission for the financing of any project or projects shall be in accordance with their terms of full force and effect and valid and binding upon the authority as the successor to the Connecticut Development Commission and with respect to any resolution, contract, deed, trust agreement, mortgage, conditional sale or loan agreement, commitment, obligation or liability or other such document, public record, right, remedy, special act or public act, obligation, liability or responsibility pertaining thereto, the authority shall be, and shall be deemed to be, the successor to the Connecticut Development Commission. All properties, rights in land, buildings and equipment and any funds, moneys, revenues and receipts or assets of such commission pledged or otherwise securing any such notes, bonds or other obligations shall belong to the authority as successor to the Connecticut Development Commission, subject to such pledges and other security arrangements and to agreements with the holders of the outstanding notes, bonds or other obligations. Any resolution with respect to the issuance of bonds of the commission for the purposes of the act and any other action taken by the commission with respect to assisting in the financing of any project shall be, or shall be deemed to be, a resolution of the authority or an action taken by the

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authority subject only to any agreements with the holders of outstanding notes, bonds or other obligations of the commission.

(c) The board of directors of the authority shall consist of [the Commissioner of Economic and Community Development, the State Treasurer and the Secretary of the Office of Policy and Management, each serving ex officio, four members appointed by the Governor who shall be experienced in the field of financial lending or the development of commerce, trade and business and four members appointed as follows: One by the president pro tempore of the Senate, one by the minority leader of the Senate, one by the speaker of the House of Representatives and one by the minority leader of the House of Representatives. Each ex-officio member may designate a deputy or any member of the agency staff to represent the member at meetings of the authority with full powers to act and vote on the member's behalf. The chairperson of the board shall be [appointed by the Governor, with the advice and consent of both houses of the General Assembly the Commissioner of Community Development. The board shall annually elect one of its members as vice chairperson. Each member appointed by the Governor shall serve at the pleasure of the Governor but no longer than the term of office of the Governor or until the member's successor is appointed and qualified, whichever is longer. Each member appointed by a member of the General Assembly shall serve in accordance with the provisions of section 4-1a. Members shall receive no compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties under the authority legislation, as defined in subsection (hh) of section 32-23d. The Governor shall fill any vacancy for the unexpired term of a member appointed by the Governor. The appropriate legislative appointing authority shall fill any vacancy for the unexpired term of a member appointed by such authority. A member of the board shall be eligible for reappointment. Any member of the board may be removed by the Governor for misfeasance, malfeasance or wilful neglect of duty. Each member of the authority before entering upon his or her duties shall take and subscribe the oath or affirmation required by

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article XI, section 1, of the State Constitution. A record of each such oath shall be filed in the office of the Secretary of the State. Meetings of the board shall be held at such times as shall be specified in the bylaws adopted by the board and at such other time or times as the chairperson deems necessary. The board is empowered to adopt bylaws and regulations for putting into effect the provisions of said chapters and sections. Not later than November first, annually, the authority shall submit a report to the Commissioner of [Economic and] Community Development, the Auditors of Public Accounts and the joint standing committees of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development, appropriations and capital bonding, which shall include the following information with respect to new and outstanding financial assistance provided by the authority during the twelvemonth period ending on June thirtieth next preceding the date of the report for each financial assistance program administered by the authority: (1) A list of the names, addresses and locations of all recipients of such assistance, (2) for each recipient: (A) The business activities, (B) the Standard Industrial Classification Manual codes, (C) the gross revenues during the recipient's most recent fiscal year, (D) the number of employees at the time of application, (E) whether the recipient is a minority or woman-owned business, (F) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, job creation or retention requirements, and anticipated wage rates, and (G) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (3) the economic benefit criteria used in determining which applications have been approved or disapproved, and (4) for each recipient of assistance on or after July 1, 1991, a comparison between the number of jobs to be created, the number of jobs to be retained and the average wage rates for each such category of jobs, as projected in the recipient's application, versus the actual number of jobs created, the actual number of jobs retained and the average wage rates for each such category. The report shall also indicate the actual number of full-time jobs and the actual number of

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part-time jobs in each such category and the benefit levels for each such subcategory. In addition, the report shall state (A) for each final application approved during the twelve-month period covered by the report, (i) the date that the final application was received by the authority, and (ii) the date of such approval; (B) for each final application withdrawn during the twelve-month period covered by the report, (i) the municipality in which the applicant is located, (ii) the Standard Industrial Classification Manual code for the applicant, (iii) the date that the final application was received by the authority, and (iv) the date of such withdrawal; (C) for each final application disapproved during the twelve-month period covered by the report, (i) the municipality in which the applicant is located, (ii) the Standard Industrial Classification Manual code for the applicant, (iii) the date that the final application was received by the authority, and (iv) the date of such disapproval; and (D) for each final application on which no action has been taken by the applicant or the agency in the twelvemonth period covered by the report and for which no report has been submitted under this subsection, (i) the municipality in which the applicant is located, (ii) the Standard Industrial Classification Manual code for the applicant, and (iii) the date that the final application was received by the authority. The November first report shall include a summary of the activities of the authority, including all activities to assist small businesses and minority business enterprises, as defined in section 4a-60g, a complete operating and financial statement and recommendations for legislation to promote the purposes of the authority. The authority shall furnish such additional reports upon the written request of any such committee at such times and containing such information as the committee may request. The accounts of the authority shall be subject to annual audit by the state Auditors of Public Accounts. The authority may cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants. The powers of the authority shall be vested in and exercised by not less than six of the members of the board of directors then in office. Such number of members shall constitute a quorum and the affirmative vote of a majority of the members present at a meeting

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- 1555 of the board shall be necessary for any action taken by the authority. 1556 No vacancy in the membership of the board shall impair the right to 1557 exercise all the rights and perform all the duties of the authority. Any 1558 action taken by the board under the provisions of said chapters and 1559 sections may be authorized by resolution at any regular or special 1560 meeting, and each such resolution shall take effect immediately and 1561 need not be published or posted. The authority shall be exempt from 1562 the provisions of section 4-9a.
 - (d) The board of directors of the authority may delegate to three or more of its members such board powers and duties as it may deem proper. At least one of such members shall not be a state employee.
 - (e) The board of directors of the authority shall adopt written procedures, in accordance with the provisions of section 1-121, for: (1) Adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect; (2) hiring, dismissing, promoting and compensating employees of the authority, including an affirmative action policy and a requirement of board approval before a position may be created or a vacancy filled; (3) acquiring real and personal property and personal services, including a requirement of board approval for any nonbudgeted expenditure in excess of five thousand dollars; (4) contracting for financial, legal, bond underwriting and other professional services, including a requirement that the authority solicit proposals at least once every three years for each such service which it uses; (5) issuing and retiring bonds, bond anticipation notes and other obligations of the authority; (6) awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the authority's staff and board of directors and including deadlines for the approval or disapproval of applications for such assistance by the authority on and after July 1, 1996; and (7) the use of surplus funds to the extent authorized under this chapter or other provisions of the general statutes.
 - (f) The board of directors of the authority shall appoint an executive

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director who shall not be a member of the board and who shall serve at the pleasure of the board and receive such compensation as shall be fixed by the board. The executive director may but need not be the deputy appointed under section 32-1d. He shall be the chief administrative officer of the authority and shall direct and supervise administrative affairs and technical activities in accordance with the directives of the board. He shall perform such other duties as may be directed by the board in carrying out the purposes of said chapters and sections. The executive director shall be exempt from the classified service. The executive director shall attend all meetings of the board, keep a record of the proceedings of the board and shall maintain and be custodian of all books, documents and papers filed with the authority and of the minute book or journal of the authority and of its official seal. He may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

- (g) Each member of the board of directors of the authority shall execute a surety bond in the penal sum of fifty thousand dollars, or, in lieu thereof, the chairman of the board shall execute a blanket position bond covering each member and the executive director and the employees of the authority, each surety bond to be conditioned upon the faithful performance of the duties of the office or offices covered, to be executed by a surety company authorized to transact business in this state as surety and to be approved by the Attorney General and filed in the office of the Secretary of the State. The cost of each such bond shall be paid by the authority.
- (h) Notwithstanding any provision of the law to the contrary, it shall not constitute a conflict of interest for a trustee, director, partner, officer, stockholder, proprietor, counsel or employee of any person, or for any other individual having a financial interest in any person, to serve as a member of the board of directors of the authority; provided such trustee, director, partner, officer, stockholder, proprietor, counsel,

- employee or individual shall file with the authority a record of his capacity with or interest in such person and abstain and absent himself from any deliberation, action and vote by the board in specific respect to such person.
- (i) The authority shall continue, as long as it shall have bonds or other obligations outstanding and until its existence is terminated by law. Upon the termination of the existence of the authority, all its rights and properties shall pass to and be vested in the state of Connecticut.
 - (j) Neither members of the board of directors of the authority nor any person executing the notes and bonds shall be liable personally on the notes or bonds or be subject to any personal liability or accountability by reason of the issuance thereof.
 - (k) Repealed by P.A. 00-136, S. 9.
 - (l) (1) The authority may establish one or more subsidiaries to stimulate, encourage and carry out the remediation, development and financing of contaminated property within this state, in coordination with the Department of Environmental Protection, and to provide financial, development and environmental expertise to others including, but not limited to, municipalities, interested in or undertaking such remediation, development or financing which are determined to be public purposes for which public funds may be expended. Each subsidiary shall be deemed a quasi-public agency for purposes of chapter 12. The authority may transfer to any such subsidiary any moneys and real or personal property. Each such subsidiary shall have all the privileges, immunities, tax exemptions and other exemptions of the authority.
 - (2) Each such subsidiary may sue and shall be subject to suit provided the liability of each such subsidiary shall be limited solely to the assets, revenues and resources of such subsidiary and without recourse to the general funds, revenues, resources or any other assets of the authority or any other subsidiary. No such subsidiary may

1654 provide for any bonded indebtedness of the state for the cost of any 1655 liability or contingent liability for the remediation of contaminated real 1656 property unless such indebtedness is specifically authorized by an act 1657 of the General Assembly. Each such subsidiary shall have the power to 1658 do all acts and things necessary or convenient to carry out the 1659 purposes of this subsection, section 12-81r, subsection (h) of section 1660 22a-133m, subsection (a) of section 22a-133x, sections 22a-133aa, 22a-1661 133bb and 22a-133dd, subsection (l) of section 22a-134, and sections 1662 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, including, but not 1663 limited to, (i) solicit, receive and accept aid, grants or contributions 1664 from any source of money, property or labor or other things of value, 1665 to be held, used and applied to carry out the purposes of this subsection, section 12-81r, subsection (h) of section 22a-133m, 1666 1667 subsection (a) of section 22a-133x, sections 22a-133aa, 22a-133bb and 1668 22a-133dd, subsection (l) of section 22a-134, and sections 22a-452f, 32-1669 7e and 32-23pp to 32-23rr, inclusive, subject to the conditions upon 1670 which such grants and contributions may be made, including but not 1671 limited to, gifts, grants or loans, from any department, agency or 1672 quasi-public agency of the United States or the state; (ii) enter into 1673 agreements with persons upon such terms and conditions as are 1674 consistent with the purposes of such subsidiary to acquire or facilitate the remediation, development or financing of contaminated real or 1675 1676 personal property; (iii) to acquire, take title, lease, purchase, own, 1677 manage, hold and dispose of real and personal property and lease, 1678 convey or deal in or enter into agreements with respect to such 1679 property; (iv) examine, inspect, rehabilitate, remediate or improve real 1680 or personal property or engage others to do so on such subsidiary's 1681 behalf, or enter into contracts therefor; (v) mortgage, convey or dispose 1682 of its assets and pledge its revenues in order to secure any borrowing, 1683 for the purpose of financing, refinancing, rehabilitating, remediating, 1684 improving or developing its assets, provided each such borrowing or 1685 mortgage shall be a special obligation of such subsidiary, which 1686 obligation may be in the form of notes, bonds, bond anticipation notes 1687 and other obligations issued by or to such subsidiary to the extent 1688 permitted under this chapter to fund and refund the same and provide 1689 for the rights of the holders thereof, and to secure the same by pledge 1690 of revenues, notes or other assets and which shall be payable solely 1691 from the assets, revenues and other resources of such subsidiary; (vi) 1692 to create real estate investment trusts or similar entities or to become a 1693 member of a limited liability company or to become a partner in 1694 limited or general partnerships or establish other contractual 1695 arrangements with private and public sector entities as such subsidiary 1696 deems necessary to remediate, develop or finance environmentally 1697 contaminated property in the state; and (vii) any other powers 1698 enumerated in subsection (e) of section 32-23 necessary or appropriate 1699 to carry out the purposes of this subsection, subsection (h) of section 1700 22a-133m, subsection (a) of section 22a-133x, sections 22a-133aa, 22a-1701 133bb and 22a-133dd, subsection (l) of section 22a-134, and sections 1702 22a-452f, 32-7e, and 32-23pp to 32-23rr, inclusive. The board of 1703 directors, executive director, officers and staff of the authority may 1704 serve as members of any advisory or other board which may be 1705 established to carry out the purposes of this subsection, subsection (h) 1706 of section 22a-133m, subsection (a) of section 22a-133x, sections 22a-1707 133aa, 22a-133bb and 22a-133dd, subsection (I) of section 22a-134, and 1708 sections 22a-452f, 32-7e, and 32-23pp to 32-23rr, inclusive.

- (3) Each such subsidiary shall act through its board of directors at least one-half of which shall be members of the board of directors of the authority or their designees or officers or employees of the authority. A resolution of the authority shall prescribe the purposes for which each such subsidiary is formed.
- (4) The provisions of section 1-125 and this subsection shall apply to any officer, director, designee, or employee appointed as a member, director, or officer of any such subsidiary. Neither any such persons so appointed nor the directors, officers or employees of the authority shall be personally liable for the debts, obligations, or liabilities of any such subsidiary as provided in said section 1-125. Each subsidiary shall and the authority may provide for the indemnification to protect, save harmless and indemnify such officer, director, designee or employee as provided by said section 1-125.

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1723 (5) The authority or any such subsidiary may take such actions as 1724 are necessary to comply with the provisions of the Internal Revenue 1725 Code of 1986 or any subsequent corresponding internal revenue code 1726 of the United States, as from time to time amended, to qualify and 1727 maintain any such subsidiary as a corporation exempt from taxation 1728 under said Internal Revenue Code.

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- (6) The authority may make loans or grants to, and may guarantee specified obligations of, any such subsidiary, following standard authority procedures, from the authority's assets and the proceeds of its bonds, notes, and other obligations, provided however, that the source and security, if any, for the repayment of any such loans or guarantees is derived from the assets, revenues and resources of such subsidiary.
- (7) Notwithstanding any other provisions of law, the Commissioner of Environmental Protection shall issue to the authority or any subsidiary a covenant not to sue, pursuant to section 22a-133aa or section 22a-133bb, as applicable, without fee, as otherwise required in subsection (c) of said section 22a-133aa for the remediation of a facility in accordance with an approved remediation plan.
- 1742 Sec. 25. Subsection (a) of section 32-16 of the general statutes is 1743 repealed and the following is substituted in lieu thereof (Effective July 1744 1, 2009):
 - (a) (1) The authority may (A) upon application of the proposed mortgagee, insure and make advance commitments to insure all or a portion of mortgage payments required by a mortgage on any (i) economic development project, exclusive of machinery, equipment, furniture, fixtures and other personal property, or (ii) any information technology project, and (B) upon application of a borrower, insure and make advance commitments to insure, (i) all or a portion of loan payments required for an information technology project, (ii) a loan for an economic development project used for manufacturing, industrial, research, retail, small business, product development, product

warehousing, distribution or other purposes which will create or retain jobs, maintain or diversify industry, including new or emerging technologies, or maintain or increase the tax base, or (iii) a secured or unsecured working capital loan necessary for the start-up or continuation of such a project, upon such terms and conditions as the authority may prescribe, provided the aggregate amount of contracts of insurance or advance commitments issued under this section, together with contracts of insurance or advance commitments insured under subsection (b) or (d) of this section, outstanding at any one time shall not exceed four times the sum of the amounts available in the Mortgage and Loan Insurance Fund plus the amount of any unpaid grants authorized to be made by the Department of [Economic and] Community Development to the authority for deposit in such fund which remain available for purposes of the fund pursuant to the bond authorization in section 32-22, provided the amount of any such contract of insurance or advance commitment shall be measured by the portion of unpaid principal which is insured by the authority and shall exclude for purposes of such limitation the amount of any contract of insurance or advance commitment to the extent that the liability of the authority with respect thereto has been reinsured by, or participated in by, an eligible financial institution with a long-term credit rating equal to or higher than that of the state. The aggregate amount of principal obligations of all mortgages and loans so insured shall not constitute indebtedness of the state of Connecticut for purposes of computing the debt limit under section 3-21, provided bonds authorized to be issued pursuant to section 32-22 shall constitute indebtedness of the state of Connecticut for such purposes, whether or not obligations of the state of Connecticut are issued and outstanding in anticipation of the sale of such bonds. Any contract of insurance executed by the authority under this section shall be conclusive evidence of eligibility for such mortgage or loan insurance, and the validity of any contract of insurance so executed or of an advance commitment to insure shall be incontestable in the hands of an approved mortgagee or lender from the date of the execution of such contract of insurance or advance commitment, except for (I) fraud or misrepresentation on the part of

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such approved mortgagee or lender, or (II) noncompliance with the terms of the contract of insurance or advance commitment and authority written procedures in force at the time of issuance of the contract or the advance commitment.

(2) To be eligible for insurance under the provisions of this chapter, a mortgage or agreement for the extension of credit or making of a loan by the authority or other lender shall: (A) Be one which is made to and held by the authority or an eligible financial institution approved by the authority as responsible and able to service the mortgage or loan properly; (B) in the case of a mortgage under subparagraph (A) of subdivision (1) of this subsection, involve principal not to exceed twenty-five million dollars for any one economic development project exclusive of machinery, equipment, furniture, fixtures and other personal property, and not to exceed ninety per cent of the cost of such project, except that the authority may insure a portion of a mortgage or agreement for the extension of credit or making of a loan by the authority that otherwise satisfies the requirements of this section and the requirements prescribed by the authority by written procedure if such mortgage or agreement involves principal in excess of twentyfive million dollars, provided any approved contract of insurance shall not exceed twenty-five million dollars and in the case of a loan under subparagraph (B) of subdivision (1) of this subsection, involve principal not to exceed ten million dollars; (C) have a maturity satisfactory to the authority but in no case later than twenty-five years from the date of the issuance of the insurance; (D) contain amortization provisions satisfactory to the authority requiring payments by the borrower or mortgagor, not in excess of the borrower's or mortgagor's reasonable ability to pay as determined by the authority; (E) be in such form and contain such terms and provisions with respect to property insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens and other matters as the authority may prescribe.

Sec. 26. Section 32-22 of the general statutes is repealed and the

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1824 following is substituted in lieu thereof (*Effective July 1, 2009*):

- (a) The State Bond Commission may authorize the issuance of bonds of the state in one or more series in accordance with section 3-20 and in principal amounts necessary to carry out the purposes of section 32-16 but not in excess of the aggregate amount of twenty-six million dollars. All of said bonds shall be payable at such place or places as may be determined by the Treasurer pursuant to section 3-19 and shall bear such date or dates, mature at such time or times, not exceeding twenty years from their respective dates, bear interest at such rate or different or varying rates and payable at such time or times, be in such denominations, be in such form with or without interest coupons attached, carry such registration and transfer privileges, be payable in such medium of payment and be subject to such terms of redemption with or without premium as, irrespective of the provisions of said section 3-20, may be provided by the authorization of the State Bond Commission or fixed in accordance therewith.
- 1841 (b) The proceeds of the sale of such bonds shall be used by the 1842 Department of [Economic and] Community Development to make 1843 grants to the authority for deposit in the Mortgage and Loan Insurance 1844 Fund created by section 32-14. The terms and conditions of said grants 1845 shall be governed in accordance with a grant contract between the 1846 department and the authority. Payments of principal on such bonds as 1847 they mature and interest thereon shall be payable first from the 1848 Mortgage and Loan Insurance Fund and secondly from the state 1849 General Fund.
- Sec. 27. Section 32-23c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - It is hereby found and declared that there is a continuing need in the state for: (1) Economic development and activity to provide and maintain employment and tax revenues, promote the export of products and services beyond state boundaries, encourage innovation

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in products and services, and support or broaden the economic base of the state, the control, abatement and prevention of pollution to protect the public health and safety, and the development and use of indigenous and renewable energy resources to assist industrial and commercial businesses in meeting their energy requirements; (2) the development of recreation facilities to promote tourism, to provide and maintain employment and tax revenues and to promote the public welfare; (3) the development of commercial and retail sales and services facilities in urban areas to provide and maintain construction, permanent employment and tax revenues, to improve conditions of deteriorated physical development, slow economic growth and eroded financial health of the public and private sectors in urban areas and to revitalize the economy of urban areas; (4) assistance to public service businesses providing transportation and utility services in the state; (5) development of the commercial fishing industry to provide and maintain employment and tax revenues; (6) the development of hightechnology businesses and business incubators that assist hightechnology businesses; (7) assistance to consortia consisting of businesses creating partnerships with higher education facilities; and (8) assistance to nonprofit and governmental entities in financing facilities providing health, educational, charitable, community, cultural, agricultural, consumer or other services benefiting the citizens of the state; that the availability of financial assistance and suitable facilities are important inducements to industrial, commercial and nonprofit enterprises to remain or locate in this state and to provide economic development projects, recreation projects, urban projects, public service projects, commercial fishing projects, health care projects and nonprofit projects; that there are significant barriers inhibiting access by the authority and eligible financial institutions to the public capital markets and expansion of the secondary loan market to assist in financing economic development and other projects in the state; that the exercise by the authority of the powers in this chapter will promote economic development by increasing access to the public capital markets for the authority and eligible financial institutions; and that therefore the necessity in the public interest and for the public benefit

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and good for the provisions of this chapter is hereby declared as a matter of legislative determination. It is further found and declared that there is a necessity in the state of creating a Department of [Economic and] Community Development to coordinate and be responsible for matters affecting the growth of business and industry in the state and the maintenance and development of industry in the state as well as the promotion of tourism in the state and for the establishment and creation of an authority to assist the department and the state to carry out the needs and policies of the state as set forth in this section. It is further found and declared that existing, pending and proposed federal legislation has limited and restricted and may further limit and restrict the power of the authority to issue obligations the interest on which is exempt from federal income taxation; that the ability of the authority to issue obligations to provide financing for projects is essential to the maintenance and expansion of employment and the tax base in the state and to the economic development and health, education and general welfare of the state; and that the issuance of obligations the interest on which may be includable in the holder's gross income for the purposes of federal income taxation serves a needed public purpose; and therefore the necessity in the public interest and for the public benefit and good for the provisions of this chapter is hereby declared as a matter of legislative determination.

- Sec. 28. Section 32-23d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- For the purposes of this chapter, the following terms shall have the following meanings unless the context indicates another meaning and intent:
- 1918 (a) "Department" means the Department of [Economic and] 1919 Community Development or its successor agency.
- 1920 (b) "State" means the state of Connecticut.
- 1921 (c) "Municipality" means any town, city or borough in the state.

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- (d) "Project" means any facility, plant, works, system, building, structure, utility, fixture or other real property improvement located in the state, any machinery, equipment, furniture, fixture or other personal property to be located in the state and the land on which it is located or which is reasonably necessary in connection therewith, which is of a nature or which is to be used or occupied by any person for purposes which would constitute it as an economic development project, information technology project, public service project, urban project, recreation project, commercial fishing project, health care project, the convention center project, as defined in subdivision (3) of section 32-600, nonprofit project or remediation project, and any real property improvement reasonably related thereto. A project may be acquired (1) directly, or (2) indirectly through the purchase of all or substantially all of the stock of a corporation.
- (e) "Eligible financial institution" means any trust company, bank, savings bank, credit union, savings and loan association, insurance company, investment company, mortgage banker, trustee, executor, pension fund, retirement fund or other fiduciary or financial institution, the state or, to the extent otherwise permitted by law, any municipality, or any political subdivision, instrumentality, agency or body politic and corporate thereof, which is approved by the authority to participate in the financing of a project.
- (f) "Cost of project" as determined by the authority means the cost or fair market value of construction, lands, property rights, utility extensions, disposal facilities, access roads, easements, franchises, financing charges, interest, engineering and legal services, plans, specifications, surveys, cost estimates, studies and other expenses necessary or incident to the development, construction, financing and placing in operation of a project and, subject to the provisions of section 32-16, the cost or fair market value of machinery, equipment, furniture, fixtures or other personal property of a project.
- (g) "Insurance fund" means the Mortgage and Loan Insurance Fund created by section 32-14.

- 1955 (h) "Maturity date" means the date on which the mortgage 1956 indebtedness would be extinguished if paid in accordance with 1957 periodic payments provided for in the mortgage.
 - (i) "Mortgage" means a mortgage or lien on a project together with credit instruments, if any, secured thereby, or any other agreement for the extension of credit or making of a loan related to the financing of a project or any portions thereof or interest therein, however evidenced, including financing by means of a lease or a conditional or installment sales agreement, or any pool of or interest in any of the foregoing financed from any source.
- (j) "Mortgagee" means the original lender or other provider of credit under the mortgage or participants therein, and their successors and assigns, approved by the authority and may include, but is not limited to, all eligible financial institutions and, except as used in section 32-17a, the authority as defined in subsection (w) of this section.
- 1970 (k) "Mortgagor" includes the successors and assigns of the 1971 mortgagor.
- (l) "Mortgage payments" means payments called for by a mortgage, and may include, but is not limited to, interest, installments of principal, taxes and assessments, mortgage insurance premiums and hazard insurance premiums.
- 1976 (m) "Mortgage year" means the annual period measured by the date of the anniversary of the date of the execution of the mortgage.
- 1978 (n) "Principal obligation" means the sum total of all mortgage 1979 payments due from the mortgagor.
- 1980 (o) "Municipal planning commission" means a municipal planning commission created under chapter 126.
- 1982 (p) "Regional planning agency" means a regional planning agency created under chapter 127.

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- (q) "Federal agency" means the United States, the president of the United States and any department of, or corporation, agency or instrumentality designated or established by, the United States.
 - (r) "Revenues" means receipts, revenues, service charges, rentals or other payments to be received on account of lease, mortgage, conditional sale, sale or loan agreements and payments and any other income derived from the lease, sale or other disposition of a project, moneys in such reserve and insurance funds or accounts or other funds and accounts and income from the investment thereof, established in connection with the issuance of bonds, notes or other obligations for a project or projects, and fees, charges or other moneys to be received by the authority in respect of projects and contracts with persons.
 - (s) "Person" means any person, including individuals, firms, partnerships, associations, cooperatives, limited liability companies or corporations, public or private, for profit or nonprofit, organized or existing under the laws of the state or any other state, and, to the extent otherwise permitted by law, any municipality, district, including any special district having taxing powers, agency, authority, instrumentality, or other governmental entity or political subdivision in the state.
 - (t) "Purposes of the authority", means the purposes of the authority expressed in and pursuant to the authority legislation, including with respect to the promotion, planning and designing, developing, encouraging, assisting, acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of a project and assisting directly or indirectly in the financing of the cost thereof.
 - (u) "Economic development project" means any project which is to be used or occupied by any person for (1) manufacturing, industrial, research, office or product warehousing or distribution purposes or hydroponic or aquaponic food production purposes and which the authority determines will tend to maintain or provide gainful

employment, maintain or increase the tax base of the economy, or maintain, expand or diversify industry in the state, or (2) controlling, abating, preventing or disposing land, water, air or other environmental pollution, including without limitation thermal, radiation, sewage, wastewater, solid waste, toxic waste, noise or particulate pollution, except resources recovery facilities, as defined in section 22a-219a, used for the principal purpose of processing municipal solid waste and which are not expansions or additions to resources recovery facilities operating on July 1, 1990, or (3) the conservation of energy or the utilization of cogeneration technology or solar, wind, hydro, biomass or other renewable sources to produce energy for any industrial or commercial application, or (4) any other purpose which the authority determines will materially contribute to the economic base of the state by creating or retaining jobs, promoting the export of products or services beyond state boundaries, encouraging innovation in products or services, or otherwise contributing to, supporting or enhancing existing activities that are important to the economic base of the state.

- 2034 (v) "Commissioner" means the Commissioner of [Economic and] 2035 Community Development.
 - (w) "Authority" means the Connecticut Development Authority or its successor as established and created under section 32-11a.
- 2038 (x) "Capital reserve fund bond" means any bond of the authority 2039 secured by a special capital reserve fund established pursuant to this 2040 chapter.
 - (y) "Recreation project" means any project which is to be primarily available for the use of the general public including without limitation stadiums, sports complexes, amusement parks, museums, theaters, civic, concert, cultural and exhibition centers, centers for the visual and performing arts, hotels, motels, resorts, inns and other public lodging accommodations and which the authority determines will tend to (1) promote tourism, (2) provide a special enhancement of recreation

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- facilities in the state_z or (3) contribute to the business or industrial development of the state.
- (z) "Public service project" means any project which is to be used or occupied by a common carrier or public utility to provide bus, truck, rail, limousine, water or air transportation services or water, sewer, gas, electricity, or telephone utility services, and which the authority determines will tend to assist the common carrier or public utility in providing service to the general public in the state. A public service project may include ferry boats or railroad rolling stock, but may not include any other vehicle, aircraft or watercraft.
 - (aa) "Urban project" means any project which is to be used or occupied by any person for commercial or retail sales or service purposes located wholly or partly within an urban municipality in the state and which the authority determines will tend (1) to maintain or provide gainful construction or permanent employment, maintain or expand the tax base of the economy or maintain, expand or diversify industry in the state, or (2) to otherwise revitalize the economy of the urban municipality. An "urban municipality", for the purposes of this definition, means any municipality which is a "distressed municipality" as defined in subsection (b) of section 32-9p.
 - (bb) "Commercial fishing project" means any project which is to be used or occupied by any person for commercial fishing purposes or for support, maintenance, storage, production, or manufacturing purposes reasonably related to commercial fishing activity, including without limitation commercial fishing vessels, docks, wharves, piers, land or floating processing facilities, transportation terminals, facilities for the maintenance, storage, and construction of vessels and equipment, and fish storage and handling facilities.
 - (cc) "Health care project" means any project which is to be used or occupied by any person for the providing of services in any residential care home, nursing home or rest home, as defined in subsection (c) of section 19a-490, or for the providing of living space for physically

2080 handicapped persons or persons sixty years of age or older.

- (dd) "Nonprofit project" means any project which (1) is to be used or occupied by any person organized and operated not for profit but exclusively for health, educational, charitable, community, cultural, agricultural, consumer or other purposes benefiting the citizens of the state, or as an agricultural or hospital cooperative or service organization or as a chamber of commerce or trade or professional association, and (2) which the authority determines satisfies a public need not adequately met by businesses operating for profit.
- 2089 (ee) "Information technology project" means any project (1) 2090 providing information technology intensive office or laboratory space, 2091 including, but not limited to, smart buildings, incubator facilities, or 2092 any project that is to be used or occupied by any person specializing in 2093 e-commerce technologies or other technologies using high-speed 2094 communications infrastructure, and (2) which the authority deems will 2095 materially contribute to the economic base of the state by creating or 2096 retaining jobs, promoting the export of products or services beyond 2097 state borders, encouraging innovation in products or services, or 2098 otherwise contributing to, supporting or enhancing existing activities 2099 that are important to the economic base of the state.
- 2100 (ff) "Incubator facilities" has the same meaning as incubator facilities 2101 in subdivision (5) of section 32-34.
- (gg) "Smart building" means a building that houses, for use by its tenants, an information or communications infrastructure capable of transmitting digital video, voice and data content over a high-speed wired, wireless or other communications intranet and provides the capability of delivering and receiving high-speed digital video, voice and data transmissions over the Internet.
 - (hh) "Authority legislation" means this chapter, chapters 578, 584, 5881, 588n, 588r and 588u, sections 8-134, 8-134a, 8-192, 8-192a, 25-33a, 32-23zz and 32-68a, and any other provisions of the general statutes or any public or special act setting forth or governing the powers and

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- 2112 duties of the authority.
- 2113 (ii) "Remediation project" means any project (1) involving the 2114 development, redevelopment or productive reuse of real property 2115 within this state that (A) has been subject to a spill, as defined in 2116 section 22a-452c, (B) is an establishment, as defined in subdivision (3) 2117 of section 22a-134, (C) is a facility, as defined in 42 USC 9601(9), or (D) 2118 is eligible to be treated as polluted real property for purposes of 2119 section 22a-133m or contaminated real property for purposes of section 2120 22a-133aa or section 22a-133bb, provided the development, 2121 redevelopment or productive reuse is undertaken pursuant to a 2122 remediation plan meeting all applicable standards and requirements of 2123 the Department of Environmental Protection, (2) that the authority 2124 determines will add or support significant new economic activity or 2125 employment in the municipality in which such project is located or 2126 will otherwise materially contribute to the economic base of the state 2127 or the municipality or will provide a residential or mixed-use 2128 development pursuant to chapter 828, and (3) for which assistance 2129 from the authority will be needed to attract necessary private 2130 investment.
- Sec. 29. Section 32-230 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 2133 (a) A Small Contractors' Revolving Loan Fund is created. In order to 2134 stimulate and encourage the growth and development of the state 2135 economy through the private enterprise of small contractors, the [state, 2136 acting by the Department of Economic and Department of 2137 Community Development [,] may contract with other state agencies, 2138 for-profit companies or nonprofit organizations to provide working 2139 capital loans or provide lines of credit to small contractors from the 2140 Small Contractors' Revolving Loan Fund. For the purposes of this 2141 section, "small contractor" means contractors, subcontractors, minority 2142 business enterprises, manufacturers or service companies who have 2143 been doing business and have maintained their principal office and 2144 place of business in the state for a period of at least one year prior to

the date of their application for assistance under this section, whose gross revenues in their most recently completed fiscal year did not exceed one million five hundred thousand dollars and which are considered small in accordance with such size standards as shall be established by regulations adopted by the department. In establishing such standards, the department shall consider the number of employees of the concern, provided any maximum number of employees which a small contractor may have under such definition shall vary from business to business to the extent necessary to reflect different characteristics of such business and to take proper account of other relevant factors. Not less than twenty-five per cent of the working capital loans and lines of credit provided under this section shall be made available to minority business enterprises. The department shall charge and collect interest on each such working capital loan or line of credit at a rate to be determined in accordance with subsection (t) of section 3-20. In no event shall the total amount of such working capital loans or lines of credit provided to any single small contractor in any period of twelve consecutive months exceed two hundred thousand dollars. Payments made by small contractors on all working capital loans and lines of credit paid to the Treasurer for deposit in the Small Contractors' Revolving Loan Fund shall be transferred to the Connecticut Growth Fund established under section 32-23v. The department shall promulgate rules and regulations in accordance with chapter 54 to carry out the provisions of this section. Such rules and regulations shall establish size standards for different types of small contractors, loan procedures, repayment terms, security requirements, default and remedy provisions and such other terms and conditions as the department shall deem appropriate.

(b) Each such loan or extension of credit shall be authorized by the Connecticut Development Authority or, if the authority so determines, by a committee of the authority consisting of the chairman and either one other member of the authority or its executive director, as specified in the determination of the authority. Any administrative expenses incurred in carrying out the provisions of this section, to the

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extent not paid by the authority or from moneys appropriated to the department, shall be paid from the Small Contractors' Revolving Loan Fund. Payments from the Small Contractors' Revolving Loan Fund to small contractors or to pay such administrative expenses shall be made by the Treasurer upon certification by the Commissioner of [Economic and] Community Development that the payment is authorized under the provisions of this section, under the applicable rules and regulations of the department, and, if made to a small contractor, under the terms and conditions established by the authority or the duly appointed committee thereof in authorizing the making of the loan or the extension of credit.

(c) The State Bond Commission may authorize the issuance of bonds of the state in one or more series in accordance with section 3-20 and in a principal amount necessary to carry out the purposes of this section, but not in excess of an aggregate amount of one million five hundred thousand dollars, provided said commission may not authorize the issuance of any bonds under the provisions of this section in excess of one million five hundred thousand dollars on or after June 2, 1986. All of said bonds shall be payable at such place or places as may be determined by the Treasurer pursuant to section 3-19 and shall bear such date or dates, mature at such time or times, not exceeding five years from their respective dates, bear interest at such rate or different or varying rates and payable at such time or times, be in such denominations, be in such form with or without interest coupons attached, carry such registration and transfer privileges, be payable in such medium of payment and be subject to such terms of redemption with or without premium as, irrespective of the provisions of said section 3-20, may be provided by the authorization of the State Bond Commission or fixed in accordance therewith. The proceeds of the sale of such bonds, together with premium and interest on sale, if any, shall be deposited in the Small Contractors' Revolving Loan Fund created by this section. Such bonds shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same

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2213 become due. Accordingly, and as part of the contract of the state with 2214 the holders of such bonds, appropriation of all amounts necessary for 2215 punctual payment of such principal and interest is hereby made, and 2216 the Treasurer shall pay such principal and interest as the same become 2217 due. Net earnings on investments or reinvestments of proceeds, 2218 accrued interest and premiums on the issuance of such bonds, after 2219 payment therefrom of expenses incurred by the Treasurer or State 2220 Bond Commission in connection with their issuance, shall become part 2221 of the Small Contractors' Revolving Loan Fund.

Sec. 30. Section 32-23t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

It is hereby found and declared as a matter of legislative determination that there is a continuing need for stimulation and encouragement of the growth and development of the state economy through the provision of two comprehensive loan programs and the establishment of a locally administered business outreach center challenge grant program which address the economic needs of a wide variety of business enterprises located throughout the state, including, but not limited to, development corporations, small contractors, small manufacturers, small business investment companies, employee groups, small water companies, small exporters, businesses affected by emergencies or disasters, small farmers, small retailers or service firms, high risk small businesses, start-up businesses, businesses located in various regions of the state, and other businesses that may be unable to obtain adequate financing from conventional sources. It is further found and declared that consolidating many of the separate loan programs currently administered by the Department of [Economic and Community Development into two revolving loan funds to be administered by the Connecticut Development Authority will enhance such programs for all borrowers, permit better targeting of state assistance to firms important to the economic base of the state, improve marketing, accounting and administration, alleviate certain administrative and technical problems created by changes in federal tax law, permit more effective use of existing resources and better

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- 2247 enable the state to protect itself from losses through the establishment
- of a loan loss reserve and an improved loan work-out capability. It is
- further found and declared that major changes in the financial markets
- 2250 have altered the availability of capital to small and medium firms in
- 2251 the state, that assistance to high risk small and start-up businesses is
- 2252 important to the state economy and that such loan consolidation will
- better enable the Connecticut Development Authority to leverage state
- 2254 assistance through active participation of private sector investments in
- 2255 small businesses.
- Sec. 31. Section 32-23v of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2009*):
- 2258 (a) As used in this section:
- 2259 (1) "Affiliate" means a business concern which directly controls or is
- 2260 controlled by another business concern, or a third party which controls
- 2261 both business concerns;
- 2262 (2) "Appraised value" means the cost or fair market value of an asset
- 2263 as determined in the discretion of the Connecticut Development
- 2264 Authority;
- 2265 (3) "Authority" means the Connecticut Development Authority
- established under section 32-11a or its successor;
- 2267 (4) "Department" means the Department of [Economic and]
- 2268 Community Development or its successor agency;
- 2269 (5) "Eligible borrower" means any person who, in the discretion of
- 2270 the authority, demonstrates (A) financial need by either its inability to
- 2271 obtain conventional financial assistance in satisfactory amounts or
- 2272 satisfactory terms, or to remain or locate or continue operations in this
- state without the assistance provided for in this section; and (B) that
- 2274 the project for which the assistance provided for in this section is being
- 2275 requested will materially contribute or provide support to the
- 2276 economic base of the state, as evidenced by one or more of the

- following criteria: (i) That such project will create or retain high quality jobs within the state and not simply replace existing jobs in other locations or businesses within the state; (ii) that such project will effectuate or facilitate the export of goods or services beyond the state boundaries; (iii) that such project represents a new product or service that has the potential for significant future contribution to the state's economic base; or (iv) that such project will significantly contribute to, support or enhance existing activities which are important to the economic base of the state;
 - (6) "Loans" means (A) loans and extensions of lines of credit, (B) any and all forms of equity investments in any business entity, and (C) any combination of such loans, lines of credit and equity investments;
 - (7) "Person" means any person or entity, including affiliates, engaged in or for the purpose of acquiring a for-profit activity or activities in this state, and whose gross revenues, including revenues of affiliates, did not exceed twenty-five million dollars in its most recently completed fiscal year prior to the date of its application for assistance under this section, or if such person has not been in business for at least one year prior to the date of such application, if the authority determines in its discretion that such person's gross revenues, including revenues of affiliates, are not likely to exceed twenty-five million dollars in its first fiscal year;
 - (8) "Small business investment company" means any entity defined in 15 USCA 662(3); and
 - (9) "State or local development corporation" means any entity organized under the laws of this state which has the authority to promote and assist the growth and development of business concerns in the areas covered by their operations.
 - (b) In order to stimulate and encourage the growth and development of the state economy, the Connecticut Growth Fund is hereby created to provide fixed asset financing, working capital and high risk and start-up capital to firms important to the state's economic

- base. The state, acting through the authority, may make, or participate with private sector financial institutions in making loans from said fund to eligible borrowers, state and local development corporations and small business investment companies, in accordance with the provisions of this section. Payments of principal and interest or other payments on such loans, and funds received by the authority from any other source for the purposes of the Connecticut Growth Fund, shall be deposited into said fund and shall be used to make additional loans and for such other purposes authorized by this section.
 - (c) The state, acting through the authority, may make, or participate with private sector financial institutions in making loans from the Connecticut Growth Fund to eligible borrowers in accordance with the following provisions:
 - (1) The aggregate outstanding amount of any loans made under this section to any one eligible borrower, including affiliates, shall not exceed four million dollars;
 - (2) The amount of any loan made under this section shall not (A) for real property exceed ninety per cent of either the cost or appraised value of the real property; (B) for machinery and equipment exceed eighty per cent of either the cost or appraised value of the machinery and equipment; and (C) for working capital, which may include, but need not be limited to, capital for expansion or restructuring of a business, exceed such eligible borrower's total working capital needs as determined by the authority in its discretion at the time of application for assistance under this section;
 - (3) The maximum term for repayment of any loan made under this section shall not exceed (A) twenty years for real property; (B) ten years for machinery and equipment; and (C) seven years for working capital; and
- 2338 (4) Subdivisions (2) and (3) of this subsection shall not apply if and 2339 to the extent that the authority determines in its discretion that such 2340 provisions are inappropriate for the purpose of providing either start-

up, high risk or acquisition financing.

- (d) The state, acting through the authority, may make loans to state or local development corporations and small business investment companies for the purpose of providing funds to enable such state or local development corporations or small business investment companies to make loans to eligible borrowers. The aggregate outstanding amount of any loan made under this subsection to a state or local development corporation or small business investment company for a loan to any one eligible borrower shall not exceed one million dollars, provided such aggregate limit shall not apply in the case of a loan in the form of an equity investment made under this subsection to a small business investment company for a loan in the form of an equity investment company for a loan in the form of an equity investment. Assets of the Connecticut Growth Fund may be allocated for such equity investments.
- (e) To carry out the purposes of this section, the authority shall have those powers set forth in section 32-23e. The authority shall also have the power to take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interest of the authority including, but not limited to, the purchase or redemption in foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings of any property on which it holds a mortgage or other lien or in which it has an interest, and for such purposes payment may be made from the Connecticut Growth Fund.
- (f) The borrowers shall pay such costs of processing applications for loans made under this section, including closing costs, as the authority determines are reasonable and necessary. The department may assist the authority in carrying out the provisions of this section and any administrative expenses incurred by the department for services provided to the authority or expenses incurred by the authority in carrying out the provisions of this section, to the extent not paid by the borrower or from moneys appropriated to the department or the authority for such purposes, may be paid from the Connecticut Growth Fund.

- (g) Each loan may be authorized by the authority or, if the authority so determines, by a committee of the authority, one of whose members may be its executive director. The rate of interest and other terms of each loan to the extent not specifically provided for herein shall be determined by the authority in its discretion.
 - (h) Payments from the Connecticut Growth Fund to eligible borrowers, state and local development corporations or small business investment companies or to pay administrative expenses shall be made upon certification by the executive director of the authority that payment is authorized under the provisions of this section and under any applicable regulations or program criteria of the authority.
- (i) For the purposes of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate fifty million five hundred eighty thousand dollars. The proceeds from the sale of said bonds shall be used by the department to make grants to the authority for deposit in the Connecticut Growth Fund for the purposes authorized under this section. The terms and conditions of said grants shall be governed in accordance with a grant contract entered into between the department and authority. All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Said bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such

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- 2408 terms and conditions as said commission in its discretion may require.
- 2409 Said bonds issued pursuant to this section shall be general obligations
- of the state and the full faith and credit of the state of Connecticut are
- 2411 pledged for the payment of the principal of and interest on said bonds
- 2412 as the same become due, and accordingly and as part of the contract of
- 2413 the state with the holders of said bonds, appropriation of all amounts
- 2414 necessary for the punctual payment of such principal and interest is
- 2415 hereby made, and the Treasurer shall pay such principal and interest
- 2416 as the same become due. Net earnings on any assets of the Connecticut
- 2417 Growth Fund, including investments or reinvestments of proceeds,
- 2418 accrued interest and premiums on the issuance of such bonds, after
- 2419 payment therefrom of expenses incurred by the Treasurer or State
- 2420 Bond Commission in connection with their issuance, shall become part
- 2421 of the Connecticut Growth Fund.
- Sec. 32. Section 32-23x of the general statutes is repealed and the
- 2423 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 2424 (a) As used in this section:
- 2425 (1) "Affiliate" means a business concern which directly controls or is
- 2426 controlled by another business concern, or a third party which controls
- 2427 both business concerns;
- 2428 (2) "Authority" means the Connecticut Development Authority
- 2429 established under section 32-11a or its successor;
- 2430 (3) "Department" means the Department of [Economic and]
- 2431 Community Development or its successor agency;
- 2432 (4) "Enterprise zone" has the same meaning as provided in section
- 2433 32-70;
- 2434 (5) "Impacted business" means any person impacted by (A) a
- 2435 disaster caused by natural forces including, but not limited to, floods
- or hurricanes, or (B) an economic emergency including, but not limited
- 2437 to, an existing or threatened major plant shutdown, business

- 2438 disruption from a major road or bridge repair project or other existing 2439 or potential economic emergency, provided such disaster or 2440 emergency described in subparagraph (A) or (B) of this subdivision is 2441 proclaimed as such by declaration of the Commissioner of [Economic 2442 and Community Development, with the consent of the Secretary of 2443 the Office of Policy and Management, upon a determination by the 2444 Commissioner of [Economic and] Community Development that such 2445 disaster or emergency is of a magnitude that could materially affect the 2446 health or well-being of the citizens of the impacted area and that the 2447 financial assistance provided for under this section is necessary to 2448 assure timely and effective relief and restoration;
- 2449 (6) "Loans" means loans and extensions of lines of credit;
- 2450 (7) "Minority business enterprise" means any person who meets the criteria contained in section 4a-60g and who is receiving a state 2452 contract award;
 - (8) "Person" means any person or entity, including affiliates, engaged in a for-profit activity or activities in this state and who, except for an impacted business, is not an eligible borrower for assistance under the provisions of the Connecticut Growth Fund established under section 32-23v;
 - (9) "Rate of interest" means the interest rate which the authority shall charge and collect on each loan made by the state under this section, which rate shall not exceed one per cent above the interest rate borne by the general obligation bonds of the state last issued prior to the date such loan is made, provided, such rate shall not exceed the maximum allowable under federal law;
 - (10) "Small contractor" means any person who is a contractor, subcontractor, manufacturer or service company who has been in business for at least one year prior to the date of its application for assistance under this section and whose gross revenues, including revenues of affiliates, did not exceed three million dollars in its most recently completed fiscal year prior to the date of its application for

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2470 assistance under this section;

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- 2471 (11) "State or local development corporation" means any entity 2472 organized under the laws of this state which has the authority to 2473 promote and assist the growth and development of business concerns 2474 in the areas covered by their operations;
 - (12) "Targeted business" means a person located in an enterprise zone whose gross revenues did not exceed three million dollars in its most recently completed fiscal year prior to the date of its application for assistance under this section, or if such person has not been in business for at least one year prior to the date of such application, if the authority determines in its discretion that such person's gross revenues, including revenues of affiliates, are not likely to exceed three million dollars in its first fiscal year;
 - (13) "Water facilities" means (A) investor-owned water companies which supply water to at least twenty-five but less than ten thousand customers, (B) municipally-owned water companies, and (C) owners of privately and municipally-owned dams which the Commissioner of Environmental Protection has determined benefit the public.
 - (b) In order to stimulate and encourage the growth and development of the state economy, the Comprehensive Business Assistance Fund is hereby created to provide financial assistance to targeted businesses, businesses impacted by economic emergencies and natural disasters, businesses located in certain regions of the state and certain industry sectors, including businesses located in entertainment districts designated under section 32-76 or established under section 2 of public act 93-311*, and to assist in the development of clean water facilities. The state, acting through the authority, may make or participate with private sector financial institutions in making loans from said fund to persons in accordance with the provisions of this section. Payments of principal and interest on such loans, and funds received by the authority from any other source for the purposes of the Comprehensive Business Assistance Fund, shall be deposited

- into said fund and shall be used to make additional loans and for such other purposes authorized by this section.
- (c) The state, acting through the authority, may make, or participate with private sector financial institutions in making loans from the Comprehensive Business Assistance Fund to any person who in the discretion of the authority, demonstrates financial need by either its inability to obtain conventional financial assistance in satisfactory amounts or on satisfactory terms in accordance with the following provisions:
 - (1) The authority may make loans at the rate of interest to small contractors and minority business enterprises for the purpose of financing labor and material costs only. The aggregate outstanding amount of any loans made under this subdivision to any one person, including affiliates, shall not exceed two hundred fifty thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed one year.
 - (2) The authority may make loans at the rate of interest to targeted businesses. The aggregate outstanding amount of any loans made under this subdivision to any one person, including affiliates, shall not exceed three hundred thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed (A) twenty years for real property; (B) ten years for machinery and equipment; and (C) seven years for working capital. For the purposes of this subdivision and subdivision (3), working capital may include, but shall not be limited to, capital for expansion or restructuring of a business.
 - (3) The authority may make loans at the rate of interest to impacted businesses. The aggregate outstanding amount of any loans made under this subdivision to any one person, including affiliates, shall not exceed five hundred thousand dollars, except the authority, with the consent of the Secretary of the Office of Policy and Management, may increase the maximum loan amount under this subdivision to one

million dollars if the authority in its discretion determines that the particular needs and conditions of such impacted business warrant such increase. The maximum term for repayment of any loan made under this subdivision shall not exceed (A) twenty years for real property; (B) ten years for machinery and equipment; and (C) seven years for working capital.

- (4) The authority may make loans at the rate of interest to water facilities. Such loans shall be used for the planning, design, modification or construction of drinking water facilities made necessary by the requirements of the Safe Water Act of 1974 or by an order of the Department of Public Health, which drinking water facilities shall include, but shall not be limited to, collection facilities, treatment facilities, wells, tanks, mains, pumps, transmission facilities and any other machinery and equipment necessary to meet the requirements of said act. Such loans shall also be used for the repair of dams subject to the jurisdiction of the Department of Environmental Protection under chapter 446j. For the purposes of this subdivision, repair costs include, but shall not be limited to, fees and expenses of architects, engineers, attorneys, accountants and other professional consultants, and costs of preparing surveys, studies, site plans and specifications for such repair. The aggregate outstanding amount of any loans made under this subdivision to any water facility, including affiliates, shall not exceed two hundred fifty thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed (A) twenty years for real property; and (B) ten years for machinery and equipment.
- (5) The authority may make loans at zero per cent interest to municipal economic development commissions established under section 7-136 or business outreach centers described in section 32-9qq, that establish or participate in loan pools that lend funds to (A) persons or groups of persons who complete entrepreneurial training programs funded or approved by the Commissioner of [Economic and] Community Development, or (B) business support groups. As used in this subdivision, "business support group" means a group of

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five or more persons, firms or corporations which plans to start or expand separate businesses, has community or other ties demonstrating a common mission or purpose, agrees to undergo an entrepreneurial training program funded or approved by the commissioner, and each member of which agrees to provide business support to other members of the group. The aggregate outstanding amount of any loans made under this subdivision to any one person, group of persons or business support group shall not exceed twenty-five thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed ten years.

- (6) The authority shall make loans at the rate of interest to entertainment or entertainment support service businesses located in the municipality with the pilot entertainment district established pursuant to section 2 of public act 93-311*, and on and after July 1, 1995, may make loans at the rate of interest to entertainment or entertainment support service businesses located in municipalities with entertainment districts designated under section 32-76.
- (d) The state, acting through the authority, may make loans to state or local development corporations, for the purpose of providing funds to enable such state or local development corporations to make loans to any person eligible for assistance under subsection (c) hereof. The aggregate outstanding amount of any loan made under this subsection to a state or local development corporation for a loan with respect to any one project shall not exceed one million dollars.
- (e) To carry out the purposes of this section, the authority shall have those powers set forth in section 32-23e. The authority shall also have the power to take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interests of the authority including, but not limited to, the purchase or redemption on foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings of any property on which it holds a mortgage or other lien or in which it has an interest, and for such purposes payment may be made from the Comprehensive Business

2601 Assistance Fund.

- (f) The borrower shall pay such costs of processing applications for loans made under this section, including closing costs, as the authority determines are reasonable and necessary. The department may assist the authority in carrying out the provisions of this section and any administrative expenses incurred by the department for services provided to the authority or expenses incurred by the authority in carrying out the provisions of this section to the extent not paid by the borrower or from moneys appropriated to the department or the authority for such purposes, may be paid from the Comprehensive Business Assistance Fund.
 - (g) Each loan may be authorized by the authority or, if the authority so determines, by a committee of the authority, one of whose members may be its executive director.
 - (h) Payments from the Comprehensive Business Assistance Fund to eligible borrowers or to pay administrative expenses shall be made upon certification by the executive director of the authority that payment is authorized under the provisions of this section and under any applicable regulations or program criteria of the authority.
 - (i) For the purposes of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate seventeen million three hundred fifty thousand dollars. The proceeds from the sale of said bonds shall be used by the department to make grants to the authority for deposit in the Comprehensive Business Assistance Fund for the purposes authorized under this section. The terms and conditions of said grants shall be governed in accordance with a grant contract entered into between the department and authority. All provisions of section 3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission

pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Said bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission in its discretion may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due. Net earnings on any assets of the Comprehensive Business Assistance Fund, including investments or reinvestments of proceeds, accrued interest and premiums on the issuance of such bonds, after payment therefrom of expenses incurred by the Treasurer or State Bond Commission in connection with their issuance, shall become part of the Comprehensive Business Assistance Fund.

Sec. 33. Section 32-23ii of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) There is created within the authority the Connecticut Works Fund. The state acting through the authority may provide financial assistance for economic development projects directly or in participation with any other financial institutions, funds or other persons or other sources of financing, public or private, and may enter into any agreements or contracts it deems necessary or convenient in connection therewith. Within the Connecticut Works Fund, a loan

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subfund is created solely to provide any form of loan or other form of financial assistance as provided in this section except for any guarantee or contract of insurance, and a guarantee subfund is created solely to provide any form of guarantee or contract of insurance as provided in this section. No financial assistance, nor any commitment to provide financial assistance, shall be provided or entered into by the authority pursuant to sections 32-23gg to 32-23ll, inclusive, which would cause the aggregate amount of all such financial assistance and commitments then outstanding to exceed the sum of the amounts available in the applicable subfund of the Connecticut Works Fund plus the amount of any unpaid grants authorized to be made by the Department of [Economic and] Community Development to the authority for deposit in the applicable subfund of the Connecticut Works Fund which remain available for purposes of such subfund pursuant to the bond authorization in section 32-2311, provided the amount of financial assistance in the form of any guarantee or contract of insurance shall be measured by the portion of unpaid principal which is insured or guaranteed by the authority. Notwithstanding the above, the aggregate amount of financial assistance in the form of guarantees and contracts of insurance and commitments with respect thereto, calculated as above, may be up to four times the sum of the amounts available in the guarantee subfund of the Connecticut Works Fund plus the amount of any unpaid grants which remain available and are specifically designated by the department for purposes of such subfund pursuant to the bond authorization in section 32-23ll. Payments of insurance premiums, principal, interest or other forms of return on investment received by the authority shall be deposited in or held on behalf of said fund and shall be either used to provide financial assistance for economic development projects or shall be returned to the state in whole or in part at the discretion of the Secretary of the Office of Policy and Management, pursuant to any such restrictions or financial obligations existing as a result of agreements entered into by the authority under sections 32-23gg to 32-2311, inclusive.

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- (b) The authority may provide financial assistance in such amounts, in such form and under such terms and conditions as the authority shall prescribe, in written procedures adopted in accordance with section 1-121. Such procedures shall provide for returns on investment as the authority deems appropriate to reflect the nature of the risk, provided a single project shall not receive an amount in excess of twenty-five million dollars and shall not be for a term longer than twenty-five years.
 - (c) In addition to other forms of financial assistance, the authority may insure or make advance commitments to insure all or any portion of the payments required under any loan, bond or other form of indebtedness for an economic development project upon such terms and conditions as the authority may establish. Such financial assistance may be in such amounts, including provisions for the payment of fees, expenses or other costs, insurance, payment of taxes and assessments, delinquency charges, default remedies and other matters, as the authority determines, except that the maximum amount paid by the authority under any guarantee or insurance agreement for any one project under sections 32-23gg to 32-23ll, inclusive, shall not exceed fifteen million dollars.
 - (d) The authority may take all reasonable steps and exercise all reasonable remedies necessary or desirable to protect the obligations or interests of the authority, including, but not limited to, the purchase or redemption in foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings of any property on which it holds a mortgage or other lien or in which it has an interest, and for such purposes and any other purposes provided in sections 32-23gg to 32-23ll, inclusive, payment may be made from the Connecticut Works Fund upon certification by the executive director that payment is authorized under the provisions of said sections, or other sections of the general statutes, applicable procedures or other programs of the authority.
 - (e) Any contract of insurance or guarantee agreement, including

- 2734 advance commitments executed by the executive director, shall be 2735 conclusive evidence of eligibility and its validity shall be incontestable 2736 in the hands of an approved borrower or the party so insured or 2737 guaranteed from the date of execution and delivery of the contract, 2738 agreement or commitment, except for fraud and misrepresentation on 2739 the part of the borrower and as to commitments, noncompliance with 2740 the commitment or any rules, or procedures of the authority or 2741 provisions of sections 32-23gg to 32-23ll, inclusive, in force at the time 2742 of issuance of the commitment.
 - (f) Applicants for financial assistance shall pay the costs the authority deems reasonable and necessary incurred in processing applications made under this section, including application and commitment fees, closing costs or other costs. In carrying out the provisions of this section, any administrative expenses incurred by the authority, to the extent not paid by the borrower or from moneys appropriated to the authority for such purposes, may be paid from the Connecticut Works Fund.
- (g) In providing financial assistance under this section, the authority shall give priority to manufacturing projects and to projects that encourage defense dependent industries to diversify.
- Sec. 34. Section 32-23*ll* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) For the purposes described herein the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate ninety-five million dollars, provided twenty-one million nine hundred thousand dollars of said authorization shall be effective on June 21, 1994.
 - (b) The proceeds of the sale of said bonds shall be used by the Department of [Economic and] Community Development to make grants to the authority for deposit in the Connecticut Works Fund to be used for the purpose of sections 32-23gg to 32-23ll, inclusive, and to the

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- Connecticut job training finance program created pursuant to section 32-23uu. The terms and conditions of said grants shall be governed in accordance with a grant contract between the department and the authority.
- 2770 (c) All provisions of section 3-20, or the exercise of any right or 2771 power granted thereby which are not inconsistent with the provisions 2772 of this section are hereby adopted and shall apply to all bonds 2773 authorized by the State Bond Commission pursuant to this section, and 2774 temporary notes in anticipation of the money to be derived from the 2775 sale of any such bonds so authorized may be issued in accordance with 2776 said section 3-20 and from time to time renewed. Such bonds shall 2777 mature at such time or times not exceeding twenty years from their 2778 respective dates as may be provided in or pursuant to the resolution or 2779 resolutions of the State Bond Commission authorizing such bonds. 2780 None of said bonds shall be authorized except upon a finding by the 2781 State Bond Commission that there has been filed with it a request for 2782 such authorization, which is signed by or on behalf of the Secretary of 2783 the Office of Policy and Management and states such terms and 2784 conditions as said commission, in its discretion, may require. Said 2785 bonds issued pursuant to this section shall be general obligations of the 2786 state and the full faith and credit of the state of Connecticut are 2787 pledged for the payment of the principal of and interest on said bonds 2788 as the same become due, and accordingly and as part of the contract of 2789 the state with the holders of said bonds, appropriation of all amounts 2790 necessary for punctual payment of such principal and interest is 2791 hereby made.
 - Sec. 35. Section 32-23qq of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) An Environmental Assistance Revolving Loan Fund is created. The state, acting through the Connecticut Development Authority, or any subsidiary of the authority may provide grants, loans, lines of credit or loan guarantees to municipalities or businesses from the Environmental Assistance Revolving Loan Fund for the purposes of

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pollution prevention activities, as defined in section 32-23rr, for purchases and the costs associated with compliance with the Clean Air Act Amendments of 1990 (42 USC 7401, et seq.), as amended, or for remediation of contaminated real property. Within the Environmental Assistance Revolving Loan Fund, a loan subfund is created solely to provide loans and lines of credit as provided in this section, a guarantee subfund is created solely to provide loan guarantees as provided in this section and a grant subfund is created solely to provide grants as provided under this section. No financial assistance, nor any commitment to provide financial assistance, shall be provided by or entered into by the authority or any subsidiary of the authority pursuant to sections 32-23pp to 32-23ss, inclusive, which would cause the aggregate amount of all such financial assistance and commitments then outstanding to exceed the sum of the amounts in the applicable subfund of the Environmental Assistance Revolving Loan Fund plus the amount of any unpaid grants authorized to be made by the Department of [Economic and] Community Development to the authority or any subsidiary of the authority for deposit in the applicable subfund of the Environmental Assistance Revolving Loan Fund, provided the amount of financial assistance in the form of any guarantee shall be measured by the portion of unpaid loan principal which is guaranteed by the authority. Notwithstanding the above, the aggregate amount of financial assistance in the form of guarantees and commitments with respect thereto, calculated as above, may be up to four times the sum of the amounts available in the guarantee subfund of the Environmental Assistance Revolving Loan Fund plus the amount of any unpaid grants which remain available and are specifically designated by the department for purposes of such subfund pursuant to the bond authorization in section 32-23ss. For the purposes of this section, "business" means any business which (1) has gross revenues of less than twenty-five million dollars in its fiscal year ending prior to the application for any such loans, lines of credit or loan guarantees or (2) has fewer than one hundred fifty employees. The Connecticut Development Authority or any subsidiary of the authority shall charge and collect interest on each such loan or line of

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- credit at a rate to be determined in accordance with procedures adopted pursuant to subsection (b) of this section. Payments made by businesses on all loans, lines of credit and loan guarantees shall be paid to the authority or any subsidiary of the authority for deposit in the Environmental Assistance Revolving Loan Fund.
- (b) The Connecticut Development Authority and any subsidiary of the authority shall adopt written procedures, in accordance with the provisions of section 1-121, to carry out the provisions of this section. Such procedures shall establish requirements for grants, loans, guarantees, interest, repayment terms, security requirements, default and remedies and such other terms and conditions as the authority or any subsidiary of the authority shall deem appropriate.
- (c) Each such grant, loan, guarantee or extension of credit shall be authorized by the Connecticut Development Authority or any subsidiary of the authority or, if the authority or any subsidiary of the authority so determines, by a committee of the authority or any subsidiary of the authority consisting of the chairman and either one other member of the authority or subsidiary or its executive director, as specified in the determination of the authority or subsidiary. Any administrative expenses incurred in carrying out the provisions of this section, to the extent not paid by the authority or any subsidiary of the authority or from moneys appropriated to the authority or any subsidiary of the authority, shall be paid from the Environmental Assistance Revolving Loan Fund. Payments from the Environmental Assistance Revolving Loan Fund to businesses or municipalities or to pay such administrative expenses shall be made by the authority or any subsidiary of the authority upon certification by the chairman of the authority or such subsidiary that the payment is authorized under the provisions of this section, under the applicable rules and regulations of the authority or subsidiary, and, if made to a business or municipality under the terms and conditions established by the authority or subsidiary or the duly appointed committee thereof in authorizing the making of the grant, loan or the extension of credit.

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- Sec. 36. Section 32-23ss of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate two million dollars.
 - (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development to make grants to the Connecticut Development Authority for deposit in the Environmental Assistance Revolving Loan Fund to be used for the purpose of sections 32-23pp to 32-23rr, inclusive, and this section. The terms and conditions of said grants shall be governed in accordance with a grant contract between the department and the authority.
 - (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds

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as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

- Sec. 37. Section 32-35 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) There is hereby created a body politic and corporate to be known as "Connecticut Innovations, Incorporated". Such corporation is constituted a public instrumentality and political subdivision of the state and the exercise by the corporation of the powers conferred in this chapter shall be deemed and held to be the performance of an essential public and governmental function. Connecticut Innovations, Incorporated shall not be construed to be a department, institution or agency of the state.
 - (b) The corporation shall be governed by a board of [fifteen] fourteen directors. Eight members shall be appointed by the Governor, at least six of whom shall be knowledgeable, and have favorable reputations for skill, knowledge and experience, in the development of innovative technology and technological processes including, but not limited to, expertise in academic research, technology transfer and application, the development of technological invention and new enterprise development. [Three] Two members shall be [the Commissioner of Economic and Community Development,] the Commissioner of Higher Education and the Secretary of the Office of Policy and Management, who shall serve ex officio and shall have all of the powers and privileges of a member of the board of directors. Each ex-officio member may designate his deputy or any member of his staff to represent him at meetings of the corporation with full power to act and vote in his behalf. Four members shall be appointed as follows: One by the president pro tempore of the Senate, one by the minority leader of the Senate, one by the speaker of the House of Representatives and one by the minority leader of the House of

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2933 Representatives. Each member appointed by the Governor shall serve 2934 at the pleasure of the Governor but no longer than the term of office of 2935 the Governor or until the member's successor is appointed and 2936 qualified, whichever is longer. Each member appointed by a member 2937 of the General Assembly shall serve in accordance with the provisions 2938 of section 4-1a. A director shall be eligible for reappointment. The 2939 Governor shall fill any vacancy for the unexpired term of a member 2940 appointed by the Governor. The appropriate legislative appointing 2941 authority shall fill any vacancy for the unexpired term of a member 2942 appointed by such authority.

- (c) The chairperson of the board shall be [appointed by the Governor, with the advice and consent of both houses of the General Assembly] the Commissioner of Community Development. The directors shall annually elect one of their number as secretary. The board may elect such other officers of the board as it deems proper. Members shall receive no compensation for the performance of their duties hereunder but shall be reimbursed for necessary expenses incurred in the performance thereof.
- (d) Each director of the corporation before entering upon his duties shall take and subscribe the oath or affirmation required by article eleventh, section 1, of the Constitution. A record of each such oath or affirmation shall be filed in the office of the Secretary of the State. The board of directors of the corporation shall adopt written procedures, in accordance with the provisions of section 1-121, for: (1) Adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect; (2) hiring, dismissing, promoting and compensating employees of corporation including an affirmative action policy and a requirement of board approval before a position may be created or a vacancy filled; (3) purchasing, leasing or acquiring real and personal property and personal services, including a requirement of board approval for any nonbudgeted expenditure in excess of five thousand dollars; (4) contracting for financial, legal, bond underwriting and other professional services, including a requirement that the corporation

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solicit proposals at least once every three years for each such service which it uses; (5) awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the corporation's staff and board of directors and the Department of [Economic and] Community Development and including deadlines for the approval or disapproval of applications for such assistance by the corporation on and after July 1, 1996; and (6) the use of surplus funds to the extent authorized under this chapter, or other provisions of the general statutes.

- (e) Notwithstanding the provisions of any other law to the contrary, it shall not constitute a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation, or any individual having a financial interest in a person, firm or corporation, to serve as a member of the board of directors of Connecticut Innovations, Incorporated, provided such trustee, director, partner, officer or individual shall abstain from deliberation, action or vote by Connecticut Innovations, Incorporated in specific respect to such person, firm or corporation.
- (f) The corporation shall have the authority to contract with the Department of [Economic and] Community Development for administrative or other services.
- (g) As of October 1, 1989, all powers, duties and personnel of the Connecticut Product Development Corporation shall be transferred to Connecticut Innovations, Incorporated, in accordance with the provisions of section 4-38d. As of October 1, 1989, all cash, notes, receivables, liabilities, appropriations, authorizations, allocations, and all other assets and properties of the Connecticut Product Development Corporation shall be transferred to Connecticut Innovations, Incorporated. Such transfer shall not affect the validity, enforceability or binding nature of any contract or agreement for financial aid made by the Connecticut Product Development Corporation under the authorization of this chapter prior to October 1, 1989.

Sec. 38. Section 32-47a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

Not later than January first in each year, Connecticut Innovations, Incorporated shall submit a business plan containing a summary of its projected operations for the year to the joint standing committees of the General Assembly having cognizance of matters relating to the Department of Economic and] Community Development, appropriations and capital bonding. Not later than November first, annually, the corporation shall submit a report to the Commissioner of [Economic and] Community Development, the Auditors of Public Accounts and said joint standing committees, which shall include the following information with respect to new and outstanding financial assistance provided by the corporation during the twelve-month period ending on June thirtieth next preceding the date of the report for each financial assistance program administered by the corporation: (1) A list of the names, addresses and locations of all recipients of such assistance, (2) for each such recipient: (A) The business activities, (B) the Standard Industrial Classification Manual codes, (C) the gross revenues during the recipient's most recent fiscal year, (D) the number of employees at the time of application, (E) whether the recipient is a minority or woman-owned business, (F) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, job creation or retention requirements, and anticipated wage rates, and (G) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (3) the economic benefit criteria used in determining which applications have been approved or disapproved, and (4) for each recipient of assistance on or after July 1, 1991, a comparison between the number of jobs to be created, the number of jobs to be retained and the average wage rates for each such category of jobs, as projected in the recipient's application, versus the actual number of jobs created, the actual number of jobs retained and the average wage rates for each such category. The report shall also indicate the actual number of fulltime jobs and the actual number of part-time jobs in each such category

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3034 and the benefit levels for each such subcategory. The November first 3035 report shall include a summary of the activities of the corporation, 3036 including all activities to assist small businesses and minority business 3037 enterprises, as defined in section 4a-60g, a complete operating and 3038 financial statement and recommendations for legislation to promote 3039 the purposes of the corporation. The corporation shall furnish such 3040 additional information upon the written request of any such 3041 committee at such times as the committee may request.

Sec. 39. Section 32-58 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

The Department of [Economic and] Community Development shall advise and cooperate with any municipal or regional agency, commission or authority responsible for economic planning in order to formulate and implement plans to reduce the dependency of a municipal or regional economy on prime defense contracts and to alleviate the effects of a possible prime defense contract cutback. The Commissioner of [Economic and] Community Development shall submit on or before September first of each year to the Governor and the General Assembly a report which evaluates the extent to which the economy of the state is dependent on prime defense contracts, designates the municipalities or regions whose economies are particularly dependent on prime defense contracts, describes the adequacy of the steps being taken to meet potential problems resulting from such dependency and shall include recommendations as to the need for further legislative and administrative action to reduce such dependency and to aid areas which have been or may be impacted by prime defense contract cutbacks.

- Sec. 40. Section 32-58b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- [(a) There is established an Office of Military Affairs within the] <u>The</u> Department of [Economic and] Community Development [for administrative purposes only] may, in the course of implementing the

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economic development policy of the state, contract with another state agency, a for-profit company or a nonprofit organization to provide services related to military affairs. [The Office of Military Affairs] Such contracts shall promote and coordinate state-wide activities that enhance the quality of life of all branches of military personnel and their families and to expand the military and homeland security presence in this state.

(b) The Governor, in consultation with the Commissioner of Economic and Community Development, shall appoint an executive director to manage the daily activities and duties of the Office of Military Affairs. The executive director shall have the necessary qualifications to perform the duties of said office, including, but not limited to, having prior military experience, and having attained the rank of an officer within a branch of the armed forces. The Governor shall give preference to any person with the necessary training and experience who has served in the Navy or who has knowledge or prior experience with the federal Base Realignment and Closure or "BRAC" process. Within available appropriations, the executive director shall: (1) Appoint, employ and remove such assistants, employees and personnel as deemed necessary for the efficient and effective administration of the activities of the office; (2) coordinate state and local efforts to prevent the closure or downsizing of Connecticut military facilities, particularly United States Naval Submarine Base-New London, located in Groton; (3) maximize the state's input into the federal Base Realignment and Closure or "BRAC" process, including, but not limited to, (A) acting as liaison to the state's congressional delegation on defense, military and BRAC issues, and (B) acting as liaison to consultant lobbyists hired by the state to assist in monitoring activities related to BRAC; (4) encourage the relocation of military missions to the state; (5) coordinate state and local efforts to enhance the quality of life of all branches of military personnel and their families living or working in Connecticut; (6) review and make recommendations for state policies that affect Connecticut's military facilities and defense and homeland security industries; (7) coordinate

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3100 state, regional and local efforts to encourage the growth of 3101 Connecticut's defense and homeland security industry; (8) support the 3102 development of a Defense and Homeland Security Industry Cluster; 3103 (9) establish and coordinate a Connecticut Military and Defense 3104 Advisory Council to provide technical advice and assistance; (10) 3105 oversee the implementation of recommendations of the Governor's 3106 Commission for the Economic Diversification of Southeastern 3107 Connecticut; and (11) prepare and submit a report of activities, 3108 findings and recommendations annually to the Governor and the joint 3109 standing committees of the General Assembly having cognizance of 3110 matters relating to commerce and public safety, in accordance with the 3111 provisions of section 11-4a.]

Sec. 41. Section 32-59 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

There is established within the [Department of Economic and Community Development Office of Policy and Management's Office of Business Development and Advocacy a defense readjustment task force which shall consist of the Commissioner of [Economic and] Community Development and the Labor Commissioner and the Secretary of the Office of Policy and Management, or their designees. The [Commissioner of Economic and Community Development] head of the Office of Business Development and Advocacy shall serve as chairman. The defense readjustment task force shall advise and assist the Governor and the [Department of Economic and Community Development | Office of Business Development and Advocacy with respect to economic planning for any municipality or region which is or may be severely impacted by prime defense contract cutbacks. The defense readjustment task force shall design procedures for expedient and effective aid to businesses and their employees that are severely impacted by prime defense contract cutbacks. Such procedures shall include, but not be limited to: (1) Expediting unemployment claims; (2) alternative employment for affected employees; (3) recommending priority in such state assistance as job training programs; and (4) technical assistance. The task force may contract

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- with another state agency, a for-profit company or a nonprofit organization to provide services related to duties of the task force under this section, if the Commissioner of Community Development deems it necessary to implement the economic development policy of the state. The procedures developed by the defense readjustment task force may be implemented at the direction of the Governor.
- Sec. 42. Section 32-70 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) Any municipality that was a distressed municipality under the provisions of subsection (b) of section 32-9p on February 1, 1986, may, with the approval of the Commissioner of [Economic and] Community Development, designate an area of such municipality as an enterprise zone. Any such area shall consist of one or two contiguous United States census tracts, contiguous portions of such census tracts or a portion of an individual census tract, as determined in accordance with the most recent United States census and, if such area is covered by zoning, a portion of it shall be zoned to allow commercial or industrial activity. The census tracts within which such designated area is located shall also meet at least one of the following criteria: (1) Twenty-five per cent or more of the persons within the individual census tracts shall have income below the poverty level, as determined by the most recent United States census, as officially updated by the appropriate state agency or institution; (2) twenty-five per cent or more of the families within the individual census tracts shall receive public assistance or welfare income, as determined by the most recent United States census, as officially updated by the appropriate state agency or institution; or (3) the unemployment rate of the individual census tracts shall be at least two hundred per cent of the state's average, as determined by the most recent United States census, as officially updated by the appropriate state agency or institution. In calculating any such percentage for one or two contiguous census tracts, contiguous portions of census tracts or a portion of an individual census tract, the commissioner shall round up to the nearest whole percentage number. If a census tract qualifies under the eligibility

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criteria for designation as an enterprise zone and if the commissioner determines that a census tract which is contiguous to such tract has significant job creation potential, the commissioner may include such contiguous census tract, or a portion thereof, in the enterprise zone in lieu of a second qualified census tract if such contiguous census tract meets at least one of the following reduced criteria: (A) Fifteen per cent or more of the persons within the census tract shall have income below the poverty level, as determined by the most recent United States census, as officially updated by the appropriate state agency or institution; (B) fifteen per cent or more of the families within the census tract shall receive public assistance or welfare income, as determined by the most recent United States census, as officially updated by the appropriate state agency or institution; or (C) the unemployment rate of the census tract shall be at least one hundred fifty per cent of the state's average, as determined by the most recent United States census, as officially updated by the appropriate state agency or institution. If a census tract boundary line is the center line of a street, the commissioner may include within the enterprise zone that portion of the property fronting on such street which is outside of but adjacent to the census tract. The depth of such property so included in the enterprise zone shall be determined by the commissioner at the time of the designation of the zone. If a census tract boundary line is located along a railroad right-of-way, railroad property or natural stream of water, the commissioner may include within the enterprise zone any private properties under common ownership which are traversed by the railroad right-of-way, railroad property or natural stream of water. Any private properties so affected shall be included in the enterprise zone at the time of the designation of the zone except, in the case of an enterprise zone designated prior to October 1, 1983, the commissioner may include within the zone any such property if the municipality in which the zone is located requests the commissioner to include such property not later than sixty days after October 1, 1983. If more than twenty-five per cent of the project area of a development project under chapter 132 is located in an area eligible for designation as an enterprise zone and the project plan for such development project is

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approved by the Commissioner of [Economic and] Community Development in accordance with section 8-191, the commissioner may include the entire project area of such development project area in an enterprise zone. If more than twenty-five per cent of the project area of a municipal development project under chapter 588l is located in an area eligible for designation as an enterprise zone and the development plan for such project is approved by the Commissioner of [Economic and] Community Development in accordance with section 32-224, the commissioner may include the entire project area of such project in an enterprise zone. If more than fifty per cent of an approved redevelopment area under chapter 130 is located in an area eligible for designation as an enterprise zone, the commissioner may include the entire redevelopment area in an enterprise zone. The commissioner may also include in the area designated as an enterprise zone (i) any facility, as defined in section 32-9p, which is located outside of but contiguous to a census tract included in the zone, (ii) any private properties which are (I) under common ownership, (II) located outside of a census tract included in the zone and (III) contiguous to a railroad right-of-way which is the boundary of such a census tract, or (iii) any private properties which are located outside of a census tract included in the zone, but between the zone and a railroad right-of-way, where other segments of such railroad right-ofway serve as boundaries for the zone. The commissioner may, at any time after the designation of an area as an enterprise zone, include in such zone any area contiguous to such zone which, at the time of the designation of such zone, was eligible to be included in such zone but was not so included. The commissioner may, at any time after the designation of an area as an enterprise zone, include in such zone any property which is located within one hundred fifty feet of a stream, the center line of which is the boundary of a census tract included in such zone, and which property contains an existing building or facility, having an area equal to or greater than one hundred thousand square feet, that is or was formerly used for manufacturing purposes but is underutilized or vacant at the time the property is included in such zone. If the commissioner determines that the necessary data is not

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available from the most recent United States census, the commissioner may use such data as the commissioner deems appropriate. The commissioner shall include in the designation of the enterprise zone in the city of Meriden the entire parcel of land bordered by Cook Avenue, Hanover Street, Perkins Street Square, and South Colony Street.

(b) Notwithstanding any provision of this section to the contrary, (1) any municipality which has an enterprise zone may with the approval of the commissioner, expand such enterprise zone by designating for inclusion in such zone one or more additional census tracts or contiguous portions of such census tract or tracts, provided such census tract or tracts are located in the municipality, are contiguous to the enterprise zone and meet the reduced criteria for contiguous census tracts in subsection (a) of this section, (2) any municipality which is contiguous to an enterprise zone which is located in another municipality may, with the approval of the commissioner, designate as an enterprise zone one or more census tracts or contiguous portions of such census tract or tracts, which are located in the municipality making such designation, provided such census tract or tracts meet the reduced criteria for contiguous census tracts in subsection (a) of this section and are contiguous to the enterprise zone located in the other municipality. When approving such an expanded or new zone under this subsection, the commissioner shall consider the development rationale, proposed local effort and job creation potential of such expanded or new zone as demonstrated by the municipality and (3) any municipality which is contiguous to an enterprise zone which is located in another municipality may, with the approval of the commissioner and the legislative body of the municipality containing the enterprise zone, designate as an enterprise zone one or more census tracts or portions of such census tract or tracts that are contiguous to the enterprise zone in the other municipality, provided no municipality which designates an enterprise zone in this manner shall be considered to be a targeted investment community, as defined in section 32-222, or an enterprise zone community.

(c) (1) On or before September 30, 1993, the Commissioner of

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[Economic and] Community Development shall approve the designation of ten areas as enterprise zones, not more than four of which shall be in municipalities with a population greater than eighty thousand and not more than six of which shall be in municipalities with a population of less than eighty thousand. (2) (A) On or after October 1, 1993, the commissioner shall approve the designation of two areas as enterprise zones. Each such area shall be in a municipality with a population of less than eighty thousand, in which there are one or more base or plant closures. Such municipalities shall be in different counties. If the commissioner approves the designation of an area of a municipality as an enterprise zone because of a plant closure in the municipality and there is a closure of another plant in any other municipality in the state by the same business, the commissioner shall also designate an area in such other municipality as an enterprise zone. If any such designated area includes a portion of a census tract in which any such base or plant is located, the census tracts in such area shall not be required to meet the eligibility criteria set forth under subsection (a) of this section for enterprise zone designation. If any such area is located elsewhere in the municipality, the census tracts in such area shall meet such eligibility criteria. As used in this subparagraph, (i) "base" means any United States or state of Connecticut military base or facility located in whole or in part within the state; (ii) "plant" means any manufacturing or economic base business, as defined in subsection (I) of section 32-222*; and (iii) "closure" means any reduction or transfer in military personnel or civilian employment at one or more bases or plants in a municipality, which occurred between July 1, 1989, and July 1, 1993, or is scheduled to occur between July 1, 1993, and July 1, 1996, and exceeds two thousand persons. Such employment figures shall be certified by the Labor Department. (B) On or after October 1, 1993, the commissioner shall approve the designation of three other areas as enterprise zones, one of which shall be in a municipality with a population greater than eighty thousand and two of which shall be in municipalities with a population of less than eighty thousand. The census tracts in such areas shall meet the eligibility criteria set forth under subsection (a) of

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this section for enterprise zone designation. The commissioner shall approve the designation of enterprise zones under this subparagraph for those municipalities which he determines to have experienced the largest increases in poverty from October 1, 1989, to October 1, 1993, inclusive, based on a weighted average of the unemployment rate, caseload under the temporary family assistance program and per capita income of less than ninety per cent of the state average between 1985 and 1989. In making his determination, the commissioner may also consider the vacancy rates for commercial and industrial facilities in a municipality and a municipality's program for the implementation of an effective enterprise zone program. To the extent appropriate, the commissioner shall use the Regional Economic Models, Inc. (REMI) system in making the calculations for such determination. (C) Notwithstanding the provisions of subsection (a) of this section, municipalities that were not distressed municipalities under the provisions of subsection (b) of section 32-9p on February 1, 1986, shall be eligible to designate areas as enterprise zones under subparagraph (A) or (B) of this subdivision. (3) The commissioner shall not approve the designation of more than one enterprise zone in any municipality. The commissioner shall adopt regulations in accordance with chapter 54 concerning such additional qualifications for an area to become an enterprise zone as he deems necessary. The commissioner may remove the designation of any area he has approved as an enterprise zone if such area no longer meets the criteria for designation as such an area set forth in this section or in regulations adopted pursuant to this section, provided no such designation shall be removed less than ten years from the original date of approval of such zone. The commissioner may designate any additional area as an enterprise zone if that area is designated as an enterprise zone, empowerment zone or enterprise community pursuant to any federal legislation.

(d) Each municipality seeking the approval of the Commissioner of [Economic and] Community Development for the designation of an area of the municipality as an enterprise zone shall file with the commissioner a preliminary application. Not later than sixty days after

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- receipt of such a preliminary application, the commissioner shall indicate to the municipality, in writing, any recommendations for improving the municipality's application. Not later than sixty days after receipt of the commissioner's written response, the municipality shall file a final application with the commissioner.
 - (e) The Department of [Economic and] Community Development shall compile information on activities and programs which are conducted in enterprise zones approved by the commissioner before and after July 1, 1986, and shall serve as a resource center for the dissemination of such information upon request.
- Sec. 43. Section 32-70a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) On or before October 1, 2006, the Commissioner of [Economic and] Community Development shall establish goals for enterprise zones designated under section 32-70. The commissioner shall review such goals every five years and update them as necessary and appropriate. Such goals shall include, but not be limited to, increasing private investment, expanding the tax base, providing job training and job creation for residents of enterprise zones and reducing property abandonment and housing blight in enterprise zones.
 - (b) On or before October 1, 2006, the Commissioner of [Economic and] Community Development shall establish performance standards to measure the progress of municipalities with enterprise zones in attaining the goals for enterprise zones established under subsection (a) of this section. The commissioner shall review and update such performance standards as appropriate and necessary.
 - (c) On or before July 1, 2011, and every five years thereafter, each business located within an enterprise zone shall electronically submit, in a format determined by the commissioner, a report to the municipality, which shall include, but not be limited to:
- 3371 (1) The name of the business;

3372	(2) The enterprise zone address of each business;
3373	(3) The date on which the business was first certified;
3374 3375	(4) The number of full-time jobs the business had at the time of application;
3376 3377	(5) The number of part-time jobs the business had at the time of application;
3378 3379	(6) The number of full-time jobs of the business filled by residents of the enterprise zone as of June thirtieth of each year since certification;
3380 3381 3382	(7) The number of part-time jobs of the business filled by residents of the enterprise zone as of June thirtieth of each year since certification;
3383 3384	(8) The number of full-time jobs the business had as of June thirtieth of each year since certification;
3385 3386	(9) The number of part-time jobs the business had as of June thirtieth of each year since certification;
3387 3388	(10) The average annual wage paid by the business to its full-time employees as of June thirtieth of each year since certification;
3389 3390	(11) The average annual wage paid by the business to its part-time employees as of June thirtieth of each year since certification;
3391 3392	(12) The number of employees of the business eligible for health benefits as of June thirtieth of each year since certification;
3393 3394	(13) The per cent of average employee contribution to the health plan of the business as of June thirtieth of each year since certification;
3395 3396	(14) The amount invested by the business in job training as of June thirtieth of each year since certification;
3397	(15) The amount of square footage of the building or buildings

3398 residing at the enterprise zone address at the time of application; 3399 (16) The amount of square footage of the building or buildings 3400 residing at the enterprise zone address as of June thirtieth of each year 3401 since certification; 3402 (17) The amount invested by the business or property owner in the 3403 building or buildings residing at the enterprise zone address as of June 3404 thirtieth of each year since certification; 3405 (18) The amount invested in personal property, excluding 3406 machinery and equipment used in the manufacture of goods, as of 3407 June thirtieth of each year since certification; 3408 (19) The amount invested in machinery and equipment used in the 3409 manufacture of goods as of June thirtieth of each year since 3410 certification; 3411 (20) The amount of the personal property tax abatement awarded to 3412 the business as of June thirtieth of each year since certification; 3413 (21) The amount of the real property tax abatement awarded to the 3414 business as of June thirtieth of each year since certification; 3415 (22) The amount of personal property tax actually paid by the business to the municipality as of June thirtieth of each year since 3416 3417 certification; and 3418 (23) The amount of real property tax actually paid by the business to 3419 the municipality as of June thirtieth of each year since certification. 3420 (d) On or before July 1, 2011, and every five years thereafter, each 3421 municipality in which an enterprise zone is located shall electronically 3422 submit, in a format determined by the commissioner, a report to the 3423 commissioner evaluating the progress of the municipality in meeting 3424 the performance standards established under subsection (b) of this 3425 section. Each municipal report shall include, to the extent available, a

list of all businesses certified within the municipality's enterprise zone,

- and the information provided by businesses under subsection (c) of this section.
- 3429 (e) On or before February 1, 2011, the commissioner shall assess the 3430 performance of each enterprise zone. In making such assessment the 3431 commissioner shall consider the report submitted under subsection (c) 3432 of this section by the municipality in which the enterprise zone is 3433 located and any other information he deems relevant. The 3434 commissioner shall report the findings of said assessment and any 3435 recommendations for improvement in the performance of the 3436 enterprise zone in the Department of [Economic and] Community 3437 Development's annual report.
- 3438 (f) On or before January 1, 2013, the commissioner shall assess the 3439 performance of each enterprise zone and may recommend to the joint 3440 standing committee of the General Assembly having cognizance of all matters relating to the Department of [Economic and] Community 3441 3442 the Connecticut Development Development, Authority 3443 Connecticut Innovations, Incorporated, that the designation be 3444 removed if he determines that the enterprise zone has not met 3445 performance standards established under subsection (b) of this section. Upon such recommendation, the General Assembly may remove the 3446 3447 designation.
- Sec. 44. Section 32-96 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 3450 (a) There is established a Small Business Advisory Council. The 3451 council shall be within the Department of [Economic and] Community 3452 Development.
 - (b) The Small Business Advisory Council shall consist of eleven persons as follows: (1) The Commissioner of [Economic and] Community Development, or his designee; (2) the chairmen of the joint standing committee of the General Assembly having cognizance of matters relating to economic development, or their designees; and (3) eight persons appointed from among individuals with knowledge and

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- 3459 experience related to small businesses. The Governor shall appoint 3460 four such persons and the president pro tempore of the Senate, the 3461 minority leader of the Senate, the speaker of the House of 3462 Representatives and the minority leader of the House 3463 Representatives each shall appoint one such person. The Governor 3464 shall appoint from among the eleven members of the council a 3465 chairperson who shall serve in that capacity at the pleasure of the 3466 Governor.
- 3467 (c) The first appointments shall be made on or before July 1, 1984.
 3468 The term of each appointed member shall be coterminous with the
 3469 term of the appointing authority or until a successor is chosen,
 3470 whichever is later. Vacancies shall be filled by the appointing
 3471 authority.
 - (d) The members of the council shall receive no compensation for their services but shall be reimbursed for any necessary expenses incurred in the performance of their duties.
- (e) The council shall organize itself in such manner as it deems desirable and necessary. Four members of the council and the chairperson, or his designee, shall constitute a quorum and the affirmative vote of a majority of the members present at a meeting shall be necessary to take any action or adopt any motion or resolution.
- Sec. 45. Section 32-98 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- The council shall: (1) Raise issues of concern to the creation and expansion of small business; (2) review appropriate Department of [Economic and] Community Development programs and offer recommendations for the improvement of services to small businesses; and (3) keep the department abreast of significant issues and trends in small business.
- Sec. 46. Section 32-100 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

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- The Department of [Economic and] Community Development shall provide the personnel and resources necessary for the council to assist the small business sector of the state and to perform its tasks.
- Sec. 47. Section 32-180 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 3495 There is established the Connecticut-Israel (a) Exchange 3496 Commission. The commission shall be within the Department of 3497 [Economic and] Community Development for the purpose of 3498 promoting and expanding economic, scientific, educational, 3499 technological, commercial, industrial and cultural cooperation and 3500 exchange between the state of Connecticut and the state of Israel.
 - The Connecticut-Israel Exchange Commission shall be comprised of: (1) The Governor, the speaker of the House of Representatives, the president pro tempore of the Senate, the majority leader of the House of Representatives, the majority leader of the Senate, the minority leader of the House of Representatives, the minority leader of the Senate, or their designees, and the cochairmen and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to economic development and education; (2) the Commissioner of [Economic and] Community Development, or his designee; (3) two public members appointed by the Governor; and (4) two members appointed by the speaker of the House of Representatives, two members appointed by the president pro tempore of the Senate, two members appointed by the minority leader of the House of Representatives and two members appointed by the minority leader of the Senate. Of the members appointed under subdivision (4) of this subsection, each appointing authority shall appoint one member from the public and one member from the General Assembly. The Governor shall appoint from among the members of the commission a chairperson who shall serve in that capacity at the pleasure of the Governor.
- 3521 (c) The first appointments shall be made on or before July 1, 1988.

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- The term of each appointed member shall be coterminous with the appointing authority or until a successor is chosen, whichever is longer. Vacancies shall be filled by the appointing authority.
 - (d) The members of the commission shall receive no compensation for their services but shall be reimbursed for any reasonable and necessary expenses incurred in the performance of their duties.
- (e) The commission shall organize itself in such manner as it deems desirable and necessary. Seven members of the commission shall constitute a quorum and the affirmative vote of a majority of the members present at a meeting shall be necessary to take any action or adopt any motion or resolution.
- Sec. 48. Section 32-182 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - The Department of [Economic and] Community Development may provide the necessary personnel and resources as provided in this section to help the commission perform its tasks in accordance with the provisions of this chapter. If the commission receives monetary contributions or contributions of in-kind resources from private agencies during any state fiscal year, the department shall allocate an amount of money to the commission equal to one-third of the total value of all such contributions and resources provided such allocation does not exceed seventy thousand dollars in any state fiscal year. In addition, the department may continue to provide the in-kind resources to the commission which it is providing on July 1, 1998. Any such contributions, allocations and resources shall be used by the commission to establish an office to develop strategic business relationships between Connecticut and Israeli businesses.
- Sec. 49. Section 32-222 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- As used in sections 32-220 to 32-234, inclusive: (a) "Business development project" means a project undertaken by an eligible

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- 3553 applicant involving one or more of the following:
- 3554 (1) The construction, substantial renovation, improvement or 3555 expansion of a facility;
- 3556 (2) The acquisition of new machinery and equipment;
- 3557 (3) The acquisition, improvement, demolition, cultivation or 3558 disposition of real property, or combinations thereof, or the 3559 remediation of contaminated real property;
- 3560 (4) The creation at a facility, within twenty-four months of the 3561 initiation of a hiring program, not less than ten new jobs or an increase 3562 in the number of persons employed at the facility of twenty per cent, 3563 whichever is greater;
 - (5) Economic diversification of the economy of an area of the state or manufacturing or other economic base business where such area or business is substantially reliant upon defense and related industry;
- (6) Participation in the avoidance of an imminent plant closing or relocation by a manufacturing or other economic base business or assist or improve the economy of an area of the state which has been or is likely to be significantly and adversely impacted by one or more major plant closings or relocations;
 - (7) Support research and development or commercialization of technologies, products, processes or techniques of a manufacturing or other economic base business;
 - (8) Creation or support of organizations that provide technical and engineering assistance to small manufacturers or other economic base businesses to assist them with the design, testing, manufacture and marketing of new products and the instruction and implementation of new techniques and technologies;
- 3580 (9) Support of substantial workforce development efforts;

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- 3581 (10) Promotion of community conservation or development or 3582 improvement of the quality of life for urban residents of the state; or
- 3583 (11) Promotion of the revitalization of underutilized, state-owned 3584 former railroad depots and areas adjacent to such depots;
- 3585 (b) "Business support services" means activities related to a 3586 municipal development project or business development project which 3587 support the economic competitiveness of manufacturing or economic 3588 base businesses or which further the interests of the state, including, 3589 but not limited to, facilities and services related to day care, job 3590 education, transportation, employee housing, energy 3591 conservation, pollution control and recycling, provided activities 3592 related to employee housing shall be limited to feasibility and 3593 implementation studies;
- 3594 (c) "Commissioner" means the Commissioner of [Economic and] 3595 Community Development;
- (d) "Economic base business" means a business that the commissioner determines will materially contribute to the economy of the state by creating or retaining jobs, exporting products or services beyond the state's boundaries, encouraging innovation in products or services, adding value to products or services or otherwise supporting or enhancing existing activities important to the economy of the state;
- 3602 (e) "Economic cluster" means an economic cluster, as defined in section 32-4e, recognized by the commissioner;
- 3604 (f) "Department" means the Department of [Economic and] 3605 Community Development;
- 3606 (g) "Development plan" means a plan for a municipal development 3607 project prepared in accordance with the provisions of subsection (b) of 3608 section 32-223;
- 3609 (h) "Eligible applicant" means any for-profit or nonprofit 3610 organization, or any combination thereof, any municipality, regional

- planning agency or any combination thereof and further provided, in the case of a loan made by the Connecticut Development Authority in which the department purchases a participation interest, "eligible applicant" means the for-profit or nonprofit organization, or any combination thereof, that will receive the proceeds of such loan;
 - (i) "Financial assistance" means grants, funds for the purchase of insurance policies and payment of deductibles for insurance policies to cover remediation costs, extensions of credit, loans or loan guarantees, participation interests in loans made to eligible applicants by the Connecticut Development Authority or combinations thereof;
 - (j) "For-profit organization" means a for-profit partnership or sole proprietorship or corporation or limited liability company which is an economic base business or has a North American Industrial Classification code of 311111 through 339999 or 493110, 493120, 493130, 493190, 511210, 512110, 512120, 512191, 522210, 522293, 522294, 522298, 522310, 522320, 522390, 523110, 523120, 523130, 523140, 523210, 523910, 524113, 524114, 524126, 524127, 524128, 524130, 524292, 541711, 541712, 551111, 551112, 551114, 561422, 611310, 611410, 611420, 611430, 611513, 611519, 611710 and 624410 or any business that is part of an economic cluster, or any establishment or auxiliary or operating unit thereof, as defined in the North American Industrial Classification System Manual, which has demonstrated to the satisfaction of the commissioner that it has the qualifications, including financial qualifications, necessary to carry out a business development project;
 - (k) "Implementing agency" means one of the following agencies designated by a municipality under section 32-223: (1) An economic development commission, redevelopment agency; sewer authority or sewer commission; public works commission; water authority or water commission; port authority or port commission or harbor authority or harbor commission; parking authority or parking commission; (2) a nonprofit development corporation; or (3) any other agency designated and authorized by a municipality to undertake a project and approved by the commissioner;

- 3644 (l) "Municipal development project" means a business development 3645 project through which real property is acquired by a municipality or 3646 implementing agency as part of such project;
- 3647 (m) "Municipality" means a town, city, consolidated town and city 3648 or consolidated town and borough;
- (n) "Nonprofit organization" means a municipality or nonprofit corporation as defined in section 33-1002 and organized under the laws of this state and for purposes of this chapter includes any constituent unit of the state system of higher education;
 - (o) "Planning commission" means a planning and zoning commission designated pursuant to section 8-4a or a planning commission created pursuant to section 8-19;
- 3656 (p) "Project" means a municipal development project or business 3657 development project;
- 3658 (q) "Project area" means the area within which a municipal development project or business development project is located;
 - (r) "Real property" means land, buildings and other structures and improvements thereto, subterranean or subsurface right, any and all easements, air rights and franchises of any kind or nature;
 - (s) "Site and infrastructure improvements" means improvements to: (1) Sanitary sewer facilities; (2) natural gas pipes, electric, telephone and telecommunications conduits and other facilities and waterlines and water supply facilities, except for any such pipes, wires, conduits, waterlines or any such pipes, wires, conduits, waterlines or facilities which a public service company, as defined in section 16-1, water company, as defined in section 25-32a, or municipal utility is required to install pursuant to any provision of the general statutes or any special act, regulation or order of the Department of Public Utility Control or a certificate of public convenience and necessity; (3) storm drainage facilities, including facilities to control flooding; (4) site

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- grading, landscaping, environmental improvements, including remediation of contaminated sites, parking facilities, roadways and related appurtenances; (5) railroad spurs; (6) public port or docking facilities; and (7) such other related improvements necessary or appropriate to carry out the project;
- 3679 (t) "State" means the state of Connecticut;
- 3680 (u) "Targeted investment community" means a municipality which contains an enterprise zone designated pursuant to section 32-70;
- (v) "Total project cost" means costs of any kind or nature relating to the planning, implementation and completion of a municipal or business development project;
- 3685 (w) "Legislative body" means (1) the board of selectmen in a town 3686 that does not have a charter, special act or home rule ordinance 3687 relating to its government, or (2) the council, board of aldermen, 3688 representative town meeting, board of selectmen or other elected legislative body described in a charter, special act or home rule 3689 3690 ordinance relating to its government in a city, consolidated town and 3691 city, consolidated town and borough or a town having a charter, 3692 special act, consolidation ordinance or home rule ordinance relating to 3693 its government.
- Sec. 50. Section 32-228 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) The Commissioner of [Economic and] Community Development may, with the approval of the Commissioner of Public Works, the Secretary of the Office of Policy and Management and the State Properties Review Board, sell, exchange, lease or enter into agreements concerning any real property belonging to the state and transferred to the custody and control of the Department of [Economic and] Community Development. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to this section, that such real property be used primarily for

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- manufacturing or economic base businesses or for business support services. Prior to any such sale, exchange, lease or agreement, the commissioner shall consult with each municipality in which the land, improvement or interest is located.
- 3709 (b) The Commissioner of [Economic and] Community 3710 Development, with the approval of the Commissioner of Public Works, 3711 the Secretary of the Office of Policy and Management and the State 3712 Properties Review Board, may: (1) Enter into a contract to purchase, 3713 lease or hold any surplus real property made available by the federal 3714 government if the commissioner determines that such real property 3715 can be utilized for manufacturing or other economic base businesses or 3716 for business support services and (2) sell, exchange, lease or enter into 3717 an agreement concerning any real property acquired by the 3718 commissioner under subdivision (1) of this subsection. The 3719 commissioner shall require, as a condition of any sale, exchange, lease 3720 or agreement entered into pursuant to subdivision (2) of this 3721 that such real property be used primarily for 3722 manufacturing or other economic base businesses or for business 3723 support services. No such land may be sold, exchanged or leased by 3724 the commissioner under subdivision (2) of this subsection without 3725 prior consultation with each municipality in which such land is 3726 located.
 - (c) The use of any land sold, exchanged or leased under this section shall be subject to the planning, zoning, sanitary and building laws, ordinances or regulations of the municipality in which such land is located.
 - (d) The Commissioner of [Economic and] Community Development may, with the approval of the Commissioner of Public Works, the Secretary of the Office of Policy and Management and the State Properties Review Board: (1) Enter into a contract to purchase, lease or hold any real property, other than property owned by the state or made available by the federal government, if the commissioner has entered into a contract to sell, exchange or lease such property to

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another person who will utilize such property for manufacturing or other economic base business or for business support services provided such sale or lease shall close not later than one week after the commissioner purchases, leases, holds or otherwise acquires such property and further provided such contract shall provide that the transferor shall be liable for any costs associated with remediation of environmental contamination of such real property; and (2) sell, exchange or lease any real property acquired by the commissioner under subdivision (1) of this subsection. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to subdivision (2) of this subsection, that such real property be used primarily for manufacturing or other economic base business or for business support services. No such land may be sold, exchanged or leased by the commissioner under subdivision (2) of this subsection without prior consultation with each municipality in which such real property is located provided any person who leases such property from the commissioner under this subsection shall be liable to the municipality for any tax due under chapter 203 as if such lessee were the owner of such property. The transferor shall be liable any costs associated with remediation of environmental contamination of any property which the Commissioner of [Economic and Community Development proposes to acquire under this section provided, in the case of a property to be subsequently sold by the commissioner under this section, the commissioner may enter into a contract with the subsequent transferee under which the transferee shall be liable for such costs.

Sec. 51. Section 32-235 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five hundred ninety-five million three hundred thousand dollars, provided forty-five million dollars of said authorization shall be effective July 1, 2008.

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(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development for the purposes of sections 32-220 to 32-234, inclusive, including economic cluster-related programs and activities, and for the Connecticut job training finance demonstration program pursuant to sections 32-23uu and 32-23vv provided, (1) three million dollars shall be used by said department solely for the purposes of section 32-23uu and not more than five million two hundred fifty thousand dollars of the amount stated in said subsection (a) may be used by said department for the purposes of section 31-3u, (2) not less than one million dollars shall be used for an educational technology grant to the deployment center program and the nonprofit business consortium deployment center approved pursuant to section 32-41l, (3) not less than two million dollars shall be used by said department for the establishment of a pilot program to make grants to businesses in designated areas of the state for construction, renovation or improvement of small manufacturing facilities provided such grants are matched by the business, municipality or another financing The Commissioner of [Economic and] Community Development shall designate areas of the state where manufacturing is a substantial part of the local economy and shall make grants under such pilot program which are likely to produce a significant economic development benefit for the designated area, (4) five million dollars may be used by said department for the manufacturing competitiveness grants program, (5) one million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, for the purposes of section 32-237, (6) fifty million dollars shall be used by said department for the purpose of grants to the United States Navy or eligible applicants for projects related to the enhancement of infrastructure for long-term, on-going naval operations at the United States Naval Submarine Base-New London, located in Groton, which will increase the military value of said base, and (7) two million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced

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Technology, Inc., for manufacturing initiatives, including aerospace and defense.

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 52. Section 32-236 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

In furtherance of the economic development of the state, the Department of [Economic and] Community Development may provide financial assistance under sections 32-220 to 32-235, inclusive, to a financial institution, as defined in section 12-217u, which has not less than two thousand qualified employees, determined in accordance with subsections (d) and (e) of said section 12-217u, at a facility or

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- facilities located in a municipality in this state with a population greater than one hundred thousand. The provisions of section 32-462 shall not apply to such assistance.
- Sec. 53. Section 32-241 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 3845 (a) For the purposes described in subsection (b) of this section, the 3846 State Bond Commission shall have the power, from time to time, to 3847 authorize the issuance of bonds of the state in one or more series and 3848 in principal amounts not exceeding in the aggregate one million dollars.
 - (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development for the purposes of section 32-240.
 - (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds

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as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 54. Section 32-242 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

In addition to other financial assistance which the Department of [Economic and] Community Development may grant on its own or through a contract with another state agency, a for-profit company or a nonprofit organization under this chapter, the Commissioner of [Economic and] Community Development, in consultation with the Secretary of the Office of Policy and Management and the Commissioner of Environmental Protection, may provide financial assistance consisting of (1) funds to acquire air pollution emission reduction credits certified by the Commissioner of Environmental Protection pursuant to section 22a-174f or (2) the transfer of credits previously acquired by the Office of Policy and Management pursuant to section 32-242a. Such transfer may be made as a grant, sale, loan or by such other appropriate means of disposition as is determined by the Commissioner of Economic and Community Development and the Secretary of the Office of Policy and Management. The assistance provided in the section shall be subject to the same rules and procedures as any other financial assistance provided under sections 32-220 to 32-234, inclusive. Any procurement, transfer or other use of such credits shall comply with the federal Clean Air Act and any regulations, requirements and guidance issued by the United States Environmental Protection Agency the Department or Environmental Protection regarding emission reduction credits.

- Sec. 55. Section 32-244 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 3903 (a) All data and other information received by the Department of

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3904 and] Community Development, the Economic Connecticut 3905 Development Authority or any implementing agency, as defined in 3906 section 32-222, or any advisory board or committee of the department, 3907 authority or agency, from any person in connection with an 3908 application for, or the provision of, financial assistance, which consists 3909 of the following, shall be deemed, for purposes of a public records 3910 request pursuant to the Freedom of Information Act, as defined in 3911 section 1-200, made to the Department of [Economic and] Community 3912 Development, the Connecticut Development Authority or any such 3913 implementing agency, advisory board or committee, to be information 3914 described in subdivision (5) of subsection (b) of section 1-210: (1) 3915 Actual trade secrets or information that a person intends to become a 3916 trade secret, (2) material that a person intends to patent, (3) patented 3917 material, (4) marketing or business plans, (5) plans for new products or 3918 services, (6) reports of customer orders or sales or other documents 3919 that would disclose names and addresses of customers or potential 3920 customers, (7) information concerning the financial condition or 3921 personal affairs of any individual, (8) financial statements or 3922 projections, (9) sales or earnings forecasts, (10) capital or strategic 3923 plans, (11) information regarding research and development, (12) tax 3924 returns, or (13) other commercial, credit or financial information with 3925 respect to the financial condition or business operations of an applicant 3926 for or recipient of financial assistance which is of a type not 3927 customarily made available to the public.

- (b) The enumeration in this section of particular types of data and information shall not be construed to limit the possible applicability of subdivision (5) of subsection (b) of section 1-210 to other data or information not so enumerated.
- Sec. 56. Section 32-244a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- All information contained in any application for financial assistance submitted to the Department of [Economic and] Community Development or the Connecticut Development Authority prior to

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- October 1, 2000, and all information with respect to any person or project, including all financial, credit and proprietary information, obtained by the Department of [Economic and] Community Development or the Connecticut Development Authority prior to October 1, 2000, or on or after October 1, 2000, pursuant to the requirements of an agreement entered into prior to October 1, 2000, shall be exempt from the provisions of subsection (a) of section 1-210.
- Sec. 57. Section 32-245 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 3946 (a) There is created a Connecticut Commission on Business 3947 Opportunity, Defense Diversification and Industrial Policy which shall 3948 be within the Department of [Economic and] Community 3949 Development for administrative purposes only.
 - (b) The commission shall consist of the following members: The Commissioners of [Economic and] Community Development, Education and Higher Education and the Labor Commissioner or their designees; the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to commerce and exportation, or their designees; the president of the Connecticut Academy of Science and Engineering, or his designee; the president of the Connecticut Business and Industries Association or his designee; the president of the Connecticut AFL-CIO or his designee; one member representing a large manufacturing concern and one member representing a financial institution, appointed by the president pro tempore of the Senate; one member representing a large business that is heavily dependent on prime defense contracts or subcontracts and one member representing a small business that is heavily dependent on prime defense contracts or subcontracts appointed by the speaker of the House Representatives; one member representing a small manufacturing concern appointed by the majority leader of the Senate; one member representing a large service-related business appointed by the majority leader of the House of Representatives; one member representing a

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small service-related business appointed by the minority leader of the Senate; and one member representing an educational institution appointed by the minority leader of the House of Representatives. The members who are not serving ex-officio shall serve for a term of two years, commencing July 1, 1990, and biennially thereafter, and until their successors have been duly qualified. The Governor shall appoint a chairperson for the commission from its membership.

- (c) The commission shall develop a plan for the economic renewal of Connecticut. The plan shall include strategies for (1) the restoration and growth of manufacturing in the state, with the objective of ending the loss of manufacturing jobs and causing an increase in such jobs within five years following development of the plan; (2) the retention and expansion of the state's economic base industries; (3) the coordination of economic development policy with capital investment in both public and private sectors; and (4) the need for regional approaches to economic development in the state.
- (d) In addition to the development of a plan for economic renewal as required under subsection (c) of this section, the commission shall: (1) Advise the General Assembly and the Department of [Economic and Community Development on issues relating to (A) diversification or conversion of defense-related industries, planning for and development of the state's manufacturing base; (C) creation and implementation of an industrial policy for the state; and (D) the creation of a business climate in the state conducive to longterm planning and capital investment; (2) evaluate legislation which concerns the state's economy and the overall competitiveness thereof, the manufacturing and industrial sectors of the state's economy and businesses that are heavily dependent on prime defense contracts or subcontracts; (3) prepare and review the implementation of short-term and long-term strategies to assist businesses that are heavily dependent on prime defense contracts or subcontracts in modifying defense industry technology production capacity into nondefense related applications; (4) provide a forum to address and communicate business issues, including small business issues, to the public and

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- private sectors; (5) foster opportunities for the development of partnerships between government and private enterprise in areas that significantly affect the state's economy; and (6) stimulate and review public and private assistance and initiatives to improve the competitiveness of Connecticut's economy.
- Sec. 58. Section 32-246 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- The Department of [Economic and] Community Development shall provide the necessary personnel and resources to assist the Connecticut Commission on Business Opportunity, Defense Diversification and Industrial Policy in performing its tasks in accordance with section 32-245.
- Sec. 59. Subsection (a) of section 32-261 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 4018 1, 2009):
 - (a) There is created within the authority the Connecticut Works Guarantee Fund. The authority may issue or make advance commitments to issue guarantees of loans and guarantees of other investments. No guarantee or commitment to issue a guarantee shall be provided or entered into by the authority pursuant to this section which would cause the aggregate amount of all such guarantees and commitments then outstanding to exceed four times the sum of the amounts available in the fund plus the amount of any unpaid grants authorized to be made by the Department of [Economic and] Community Development to the authority for deposit in the fund which remain available for purposes of the fund pursuant to the bond authorization in section 32-262, provided the amount of any guarantee shall be measured by the portion of unpaid loan principal, or its equivalent in the case of other investments, which is guaranteed by the authority and shall exclude for purposes of such limitation the amount of any such guarantee to the extent that the liability of the authority with respect thereto has been reinsured or otherwise assumed by an

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eligible financial institution with a long-term credit rating equal to or higher than that of the state. The purposes of such program shall be: (1) To encourage the growth and retention of manufacturing firms and other businesses in the state that are unable to obtain financing under reasonable terms and conditions due to the contraction in liquidity in the banking system; (2) to stimulate the growth and retention of jobs, the development of all geographic regions of the state and the increase in state and municipal tax revenue; and (3) to address concerns with the availability of financing which has been discontinued subsequent to a merger, takeover or liquidation of a financial institution by a federal financial regulatory institution. The authority shall utilize the authority provided by this section to achieve the maximum creation or retention of jobs, especially high quality, skilled jobs, with the funds available. There shall be deposited in the fund all guarantee fees and all proceeds of collateral and other recoveries with respect to payments made under guarantees and any and all other moneys or assets, other than payments on guarantees issued hereunder, received by the authority in return for any guarantee provided or offered, whether pursuant to any applicable contract or agreement entered into by the authority under subsection (i) of this section or otherwise. Amounts in the fund shall be used in accordance with this section to satisfy any valid guarantee claim payable therefrom and may be used for any other purpose determined by the authority to be in furtherance of any guarantee or any contract or agreement with an eligible financial institution entered into pursuant to this section or determined by the authority to be necessary or appropriate to protect the interests of the authority or the fund, including, without limitation, protecting the interests of the authority in any project during any period of loan delinquency or upon loan default. Any administrative expenses incurred in carrying out the provisions of this section, to the extent not paid by the authority, shall be paid from the fund. Each payment from the fund for such administrative expenses shall be made by the authority upon certification by the chairperson of the authority that the payment is authorized under the provisions of this section, under the applicable rules and regulations of the authority. Any amounts in the

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- 4071 fund not currently needed to meet the obligations of the fund and the
- 4072 expenses of the authority may be invested in obligations designated by
- the authority, and all income from such investments shall become part
- 4074 of the fund.
- Sec. 60. Subsection (b) of section 32-262 of the general statutes is
- 4076 repealed and the following is substituted in lieu thereof (Effective July
- 4077 1, 2009):
- 4078 (b) The proceeds of the sale of said bonds, to the extent of the
- amount stated in subsection (a) of this section, shall be used by the
- 4080 Department of [Economic and] Community Development to make
- 4081 grants to the Connecticut Development Authority for deposit in the
- 4082 Investment and Loan Guaranty Fund to be used for the purpose of
- 4083 section 32-261. The terms and conditions of said grants shall be
- 4084 governed in accordance with a grant contract between the department
- 4085 and the authority.
- Sec. 61. Subsection (f) of section 32-265 of the general statutes is
- 4087 repealed and the following is substituted in lieu thereof (Effective July
- 4088 1, 2009):
- 4089 (f) (1) For the purposes described in subdivision (2) of this
- 4090 subsection, the State Bond Commission shall have the power, from
- 4091 time to time, to authorize the issuance of bonds of the state in one or
- 4092 more series and in principal amounts not exceeding in the aggregate
- 4093 five million dollars.
- 4094 (2) The proceeds of the sale of said bonds, to the extent of the
- amount stated in subdivision (1) of this subsection, shall be used by the
- 4096 Department of [Economic and] Community Development to make
- 4097 grants to the Connecticut Development Authority for deposit in the
- 4098 Connecticut Capital Access Fund to be used for the purposes
- 4099 authorized under this section and section 32-341.
- 4100 (3) All provisions of section 3-20, or the exercise of any right or
- 4101 power granted thereby which are not inconsistent with the provisions

4102 of this section are hereby adopted and shall apply to all bonds 4103 authorized by the State Bond Commission pursuant to this section, and 4104 temporary notes in anticipation of the money to be derived from the 4105 sale of any such bonds so authorized may be issued in accordance with 4106 said section 3-20 and from time to time renewed. Such bonds shall 4107 mature at such time or times not exceeding twenty years from their 4108 respective dates as may be provided in or pursuant to the resolution or 4109 resolutions of the State Bond Commission authorizing such bonds. 4110 None of said bonds shall be authorized except upon a finding by the 4111 State Bond Commission that there has been filed with it a request for 4112 such authorization, which is signed by or on behalf of the Secretary of 4113 the Office of Policy and Management and states such terms and 4114 conditions as said commission, in its discretion, may require. Said 4115 bonds issued pursuant to this section shall be general obligations of the 4116 state and the full faith and credit of the state of Connecticut are 4117 pledged for the payment of the principal of and interest on said bonds 4118 as the same become due, and accordingly and as part of the contract of 4119 the state with the holders of said bonds, appropriation of all amounts 4120 necessary for punctual payment of such principal and interest is 4121 hereby made, and the Treasurer shall pay such principal and interest 4122 as the same become due.

- Sec. 62. Section 32-284 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4125 (a) For the purposes described in subsection (b) of this section, the 4126 State Bond Commission shall have the power, from time to time, to 4127 authorize the issuance of bonds of the state in one or more series and 4128 in principal amounts not exceeding in the aggregate one million 4129 dollars.
- (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development for the purposes of providing grants under section 32-267.

- (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.
- Sec. 63. Section 32-285 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) (1) There is hereby established a tax incremental financing program, under which the incremental hotel taxes collected under subparagraph (H) of subdivision (2) of subsection (a) of section 12-407, which are generated by a project approved by the authority under this section may be used to pay the debt service on bonds issued by the authority to help finance, on a self-sustaining basis, significant economic projects and encourage their location in the state.
 - (2) The incremental sales taxes collected under chapter 219, other

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than the sales tax referenced in subdivision (1) of this subsection, and admissions, cabaret and dues taxes collected under chapter 225 which are generated by a project may, subject to approval pursuant to this section by the joint standing committees of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development and finance, revenue and bonding, and the authority, be used to pay the debt service on bonds issued by the authority to help finance, on a self-sustaining basis, significant economic projects and encourage their location in the state.

- (b) As used in this section: (1) "Authority" means the Connecticut Development Authority; and (2) "eligible project" means a large-scale economic development project (A) that may add a substantial amount of new economic activity and employment in the municipality in which it is to be located and surrounding areas, and may generate significant additional tax revenues in the state; (B) for which use of the tax incremental financing mechanism may be necessary to attract the project to locate in the state; (C) which is economically viable and self-sustaining, taking into account the application of the proceeds of the bonds to be issued under the tax incremental financing program; (D) for which the direct and indirect economic benefits to the state and the municipality in which it will be located outweigh the costs of the project; and (E) which is consistent with the strategic development priorities of the state.
- (c) Any person, firm or corporation wishing to participate in the tax incremental financing program, or any municipality wishing to obtain tax incremental financing to support a project within its boundaries, may apply to the authority in accordance with the provisions of this subsection. The application shall contain such information as the authority may require, which may include information concerning the type of business proposed to be established and its location, the number of jobs to be created or retained and their average wage rates, feasibility studies or business plans for the project and other information necessary to demonstrate its financial viability, the amounts and types of bonds proposed to be issued for the project and

the proposed use of the proceeds, information about other sources of financing available to support repayment of the bonds proposed to be issued, including property tax increments to be made available by the municipality, a geographic description of the area surrounding the proposed site of the project and the existing firms doing business in that area, an economic impact assessment of the effects of the project on the municipality, an assessment of the incremental hotel taxes, or, if applicable, the incremental sales and admissions, cabaret and dues taxes to be generated by the project, an analysis of necessary infrastructure development to support the project and any available sources of financing for such infrastructure and other information which demonstrates that the bonds will be self-sustaining from the incremental taxes collected and any amounts made available by a municipality under subsection (i) of this section, and that the project will provide net benefits to the economy and employment opportunity in the state. The authority shall impose a fee for such application as it deems appropriate. Any costs incurred by the authority which are associated with such application and are not covered by such fee shall be paid from funds of the authority which are not otherwise committed or pledged.

- (d) Upon receiving an application for participation in the tax incremental financing program and any supporting information, the executive director of the authority shall make a preliminary determination as to whether a proposed project may be eligible for participation in the program.
- (e) (1) The authority shall review each application that has been preliminarily determined to be eligible under subsection (d) of this section. In reviewing an application, the authority shall obtain such additional information as may be necessary to make a final determination as to whether the project is eligible for participation in the program, whether the project is economically viable with use of the tax incremental financing mechanism, the effects of the project on the municipality and whether the project would provide net benefits to economic development and employment opportunity in the state. The

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- authority may require the project sponsor to submit such additional information as may be necessary to evaluate the application.
- (2) The authority shall retain such financial advisors and other experts as it deems appropriate to conduct an independent financial assessment of the application and supporting information, including, in particular, the amount of the incremental hotel taxes, or, if applicable, the incremental sales and admissions, cabaret and dues taxes to be generated by the project, whether the project will be economically viable and whether the bonds will be self-sustaining.
 - (3) The authority shall prepare a revenue impact assessment that estimates the incremental hotel taxes or, if applicable, the incremental sales and admissions, cabaret and dues taxes that would be generated by the project, the state and local revenues that would be foregone as a result of the project, all state and local revenues that would be generated by the project and the economic benefits that would likely result from construction of the project, including revenue effects of such economic benefits.
 - (4) (A) Not later than seventy-two hours before presenting a proposed project to the board of directors of the authority for final approval, if such project uses incremental hotel taxes, the executive director of the authority shall give notice of the proposed project and meeting to the president pro tempore and minority leader of the Senate, the speaker and minority leader of the House of Representatives and the chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding and the Department of [Economic and] Community Development. Such notice shall include such information about the project, the estimated tax increments and the revenue impact assessment, as may be appropriate, consistent with the protection of any confidential financial information provided by the project sponsor. Any such member of the General Assembly may, by notifying the executive director, request that the board of directors of the authority defer final consideration of the

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- (B) If such project uses incremental sales and admissions, cabaret and dues taxes, the notice required pursuant to subparagraph (A) of this subdivision shall not be required, but the procedure in subdivision (6) of subsection (f) of this section shall be followed after the board of directors of the authority has given approval to such project.
- (f) (1) Upon consideration of the application, the results of the independent financial assessment, the revenue impact assessment and any additional information that the board of directors of the authority requires concerning a proposed project, such board of directors shall determine whether to approve the project for participation in the tax incremental financing program and, if so, the amount and type of bonds the authority shall issue to support the approved project, the purposes for which the funds generated by sale of the bonds may be applied and the amount of the incremental sales and admissions, cabaret and dues taxes that shall be annually allocated to pay principal and interest on the bonds to be issued for the project. The amounts so allocated shall not exceed the estimated amount of incremental taxes to be collected, except that in the case of retail shopping center projects, the amount of incremental sales allocated to calculating incremental sales taxes shall not exceed thirty per cent of gross sales directly associated with the project. From the amount of incremental taxes so allocated by the authority, the amount required for payment of principal and interest on the bonds issued in accordance with subsection (g) of this section shall be deemed appropriated from the state General Fund, provided, for projects using incremental sales and admissions, cabaret and dues taxes, an amount shall be deemed appropriated only upon final approval of such projects pursuant to subdivision (6) of this subsection.
- (2) The authority may approve a project only if it concludes that: (A) The project is an eligible project; (B) the incremental hotel taxes or, if applicable, the incremental sales taxes collected under chapter 219 and the incremental admissions, cabaret and dues taxes collected under

- 4301 chapter 225 that are generated by the project, together with other 4302 dedicated sources of financing available to pay debt service on the 4303 bonds, will be sufficient to pay interest and principal on the bonds as 4304 they come due; (C) the project will be economically viable and will 4305 contribute significantly to economic development and employment 4306 opportunity in the state; and (D) the direct and indirect economic 4307 benefits of the project to the state and the municipality in which it shall 4308 be located will be greater than the costs to the state and such 4309 municipality.
 - (3) The authority shall seek to obtain diversification among the types of projects supported under this program and among the geographic regions in the state in which projects are located.
 - (4) The approval of a project by the authority may be combined with the exercise of any of its other powers, including but not limited to, the provision of other forms of financial assistance. The proceeds of the bonds may be combined with any other funds available from state or federal programs, or from investments by the private sector, to support the project.
 - (5) Upon approving a project, the authority may require the project sponsor to reimburse the authority for all or any part of the costs of the independent financial assessment conducted in reviewing the application and any other related costs incurred.
 - (6) For final approval of any proposed project using incremental sales and admissions, cabaret and dues taxes, the authority shall submit, in a manner consistent with the protection of any confidential financial information provided by the project sponsor, copies of the application, the independent financial assessment, the revenue impact assessment, and the proposed financial assistance to be offered by the authority to the proposed project, to the joint standing committees of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development and finance, revenue and bonding for final approval. Within forty-five days of said

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committees' receipt of such proposed project information, said committees shall advise the authority of their approval or modifications, if any, to such proposed financial assistance. If said committees do not agree, the committee chairpersons shall appoint a committee on conference which shall be comprised of three members from each joint standing committee. At least one member appointed from each committee shall be a member of the minority party. The report of the committee on conference shall be made to each committee, which shall vote to accept or reject the report. The report of the committee on conference may not be amended. If a joint standing committee rejects the report of the committee on conference, the proposed financial assistance shall be deemed approved. If the joint standing committees accept the report, the committee having cognizance of finance, revenue and bonding shall advise the authority of their approval or modifications, if any, of such proposed financial assistance, provided, if the committees do not act within forty-five days, the proposed financial assistance shall be deemed approved. Financial assistance by the authority for the proposed project shall be in accordance with the proposed financial assistance as approved or modified by the committees.

(g) (1) The authority may issue one or more series of bonds in accordance with the provisions of chapter 579, to the extent not inconsistent with the provisions of this subsection, payable in whole or in part from the incremental taxes allocated and deemed appropriated from the state General Fund under subsection (f) of this section and any amounts contributed by a municipality under subsection (i) of this section, to finance a project approved under this section or to refund bonds previously issued under this section. The authority is authorized to make a grant of all or part of the proceeds of such bonds to any person in connection with the acquisition, construction and equipping of an eligible project, including the expense of the state or any municipality, or any instrumentality or agency of the state or any municipality, in connection therewith. Subject to applicable federal tax law, the authority may issue such bonds, the interest on which is

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excludable from gross income for federal income tax purposes, or such bonds, the interest on which is not so excludable. The authority, when authorizing the issuance of any series of such bonds, shall, in conjunction with the State Treasurer, determine the rate of interest of such bonds, the date or dates of their maturity, the medium of payment, the redemption terms and privileges, whether such bonds shall be sold by negotiated or competitive sale and any and all other terms, covenants and conditions not inconsistent with this section, in connection with the issuance thereof, including but not limited to, the pledging of special capital reserve funds authorized under subsection (b) of section 32-23j.

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- (2) The issuance of any bonds by the authority under this section shall be subject to the approval of the State Bond Commission. Upon approving a project, the authority shall submit the matter to the State Bond Commission for final approval. The State Bond Commission shall not approve any project unless it has received the submission from the authority at least ten days prior to the meeting at which such project is to be considered. Such submission shall include the information considered by the authority in approving the project, the independent financial assessment and such other information as the commission deems appropriate. In reaching its decision, the State Bond Commission may consider such information as submitted. After such approval by the Bond Commission, no other approval shall be required for the project.
- (h) For such period of time as bonds issued to support an approved project are outstanding, the Treasurer shall make payment of interest and principal on the bonds to the trustee when due, but not exceeding in any fiscal year the amount deemed appropriated pursuant to subsection (f) of this section.
- (i) A portion of the proceeds of bonds issued pursuant to this section may be made available to a municipality in which a project is located for the purpose of carrying out or administering a redevelopment plan or other functions authorized under chapter 130

or chapter 132. Such municipality may contribute all or any part of the money specified in subdivision (2) of section 8-134a or subdivision (b) of section 8-192a to the authority for the payment of principal and interest on the bonds issued by the authority under this section to support such approved project. In exercising such power, such municipalities shall proceed as provided in said chapter 130 or 132, as the case may be, except that the references therein to bonds and bond anticipation notes shall be deemed to refer to the bonds issued by the authority under this section.

(i) (1) Not later than July first in each year that bonds issued to support an approved project are outstanding, the authority shall submit a report to the joint standing committees of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development and finance, revenue and bonding with respect to the operations, finances and achievement of the economic development objectives of the projects approved under this section. The authority shall review and evaluate the progress of each project and shall devise and employ techniques for forecasting and measuring relevant indices of accomplishment of its goals of economic development, including, but not limited to, (A) the actual expenditures compared to original estimated costs, (B) whether there have been significant cost increases over original estimates, (C) the number of jobs created, or to be created, by or as a result of the project, (D) the cost or estimated cost, to the authority, involved in the creation of those jobs, (E) the amount of private capital investment in, or stimulated by, the project, in proportion to the public funds invested in such project, (F) the number of additional businesses created and associated jobs, and (G) any impact on tourism.

(2) Not later than July first in each year that bonds issued to support an approved project are outstanding, the Office of Policy and Management shall retain independent financial experts to conduct an analysis of the financial status of each project approved under this section. The independent financial analysis shall include, but not be limited to, determinations as to whether the incremental hotel taxes or,

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- 4434 if applicable, the incremental sales and admissions, cabaret and dues 4435 taxes actually generated by the project are equal to the estimates made 4436 at the time the project was approved, whether the project is 4437 economically viable and whether the bonds issued are self-sustaining with the incremental taxes actually collected and other financing 4438 4439 sources dedicated to repayment of the bonds. The authority shall 4440 require the project sponsor to reimburse the Office of Policy and 4441 Management for the costs of such annual analyses. The results of such 4442 analyses shall be made available to the president pro tempore of the 4443 Senate, the speaker of the House of Representatives, the majority and 4444 minority leaders of both houses, and to the chairpersons and ranking 4445 members of said committees.
- (k) No commitments for new projects shall be approved by the authority under this section on or after July 1, 2010.
- Sec. 64. Section 32-291 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five hundred thousand dollars.
- (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development for the purposes of section 32-290.
 - (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall

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4466 mature at such time or times not exceeding twenty years from their 4467 respective dates as may be provided in or pursuant to the resolution or 4468 resolutions of the State Bond Commission authorizing such bonds. 4469 None of said bonds shall be authorized except upon a finding by the 4470 State Bond Commission that there has been filed with it a request for 4471 such authorization, which is signed by or on behalf of the Secretary of 4472 the Office of Policy and Management and states such terms and 4473 conditions as said commission, in its discretion, may require. Said 4474 bonds issued pursuant to this section shall be general obligations of the 4475 state and the full faith and credit of the state of Connecticut are 4476 pledged for the payment of the principal of and interest on said bonds 4477 as the same become due, and accordingly and as part of the contract of 4478 the state with the holders of said bonds, appropriation of all amounts 4479 necessary for punctual payment of such principal and interest is 4480 hereby made, and the Treasurer shall pay such principal and interest 4481 as the same become due.

- Sec. 65. Section 32-324a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) There is established an account to be known as the "Connecticut qualified biodiesel producer incentive account", which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account.
- (b) The moneys in said account shall be expended by the Department of [Economic and] Community Development for the purpose of [administration of the] contracting with other state agencies, for-profit companies or nonprofit organizations to administer a program and providing grants to qualified biodiesel producers and qualified biodiesel distributors pursuant to sections 32-324b to 32-324f, inclusive. For the purposes of implementing this grant, the Commissioner of [Economic and] Community Development may enter into an agreement, in accordance with the provisions of chapter 55a, with a person, firm, corporation or other entity.

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- Sec. 66. Section 32-324b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4501 (a) A qualified biodiesel producer shall be eligible for not more than 4502 sixty monthly grants from the Connecticut qualified biodiesel 4503 producer incentive account, established pursuant to section 32-324a. 4504 The Department of [Economic and] Community Development, in 4505 consultation with the person, firm, corporation or entity selected to 4506 implement the grant pursuant to subsection (b) of section 32-324a, if 4507 applicable, shall determine monthly grant amounts by calculating the 4508 estimated gallons of biodiesel produced during the preceding month, 4509 as certified by the Commissioner of [Economic and] Community 4510 Development, or a designee, and applying such figure to the per gallon 4511 incentive credit established in subsection (b) of this section.
- (b) Each qualified biodiesel producer shall be eligible for a total grant in any fiscal year equal to the following amounts: (1) For the first five million gallons of biodiesel produced, thirty cents per gallon; (2) for the second five million gallons of biodiesel produced, twenty cents per gallon; and (3) for the third five million gallons of biodiesel produced, ten cents per gallon.
 - (c) Biodiesel produced by a qualified biodiesel producer in excess of fifteen million gallons in any fiscal year shall not be eligible for a grant pursuant to this section.
- Sec. 67. Section 32-324e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - A qualified biodiesel distributor shall not be eligible for a grant pursuant to section 32-324a for purposes other than to assist with purchasing equipment or constructing, modifying or retrofitting facilities, including, but not limited to, the actual costs of creating storage and distribution capacity for biodiesel during the month. No grant issued pursuant to said section 32-324a shall exceed fifty thousand dollars for any one distributor at any one site. The Department of [Economic and] Community Development, in

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- consultation with the person, firm, corporation or entity selected to implement the grant pursuant to subsection (b) of section 32-324a, if applicable, shall create an application process and guidelines for the administration of this grant provision.
- Sec. 68. Section 32-324f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4537 The Department of [Economic and] Community Development, in 4538 consultation with the person, firm, corporation or entity selected to 4539 implement the grant pursuant to subsection (b) of section 32-324a, if 4540 applicable, shall create guidelines necessary for the administration of 4541 the provisions of this section on the progress of the grant programs 4542 administered pursuant to sections 32-324a to 32-324e, inclusive. The 4543 Department of [Economic and] Community Development, in 4544 consultation with such person, firm, corporation or entity, if 4545 applicable, shall submit an annual report, in accordance with the 4546 provisions of section 11-4a, to the joint standing committees of the 4547 General Assembly having cognizance of matters relating to energy and 4548 technology, commerce and the environment.
- Sec. 69. Section 32-324g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - The Department of [Economic and] Community Development shall through contracts with other state agencies, for-profit companies or nonprofit organizations administer a fuel diversification grant program to provide funding to Connecticut institutions of higher education or Connecticut institutions of agricultural research for purposes which may include, but are not limited to (1) research to promote biofuel production from agricultural products, algae and waste grease, and (2) biofuel quality testing. Said department may enter into an agreement, in accordance with the provisions of chapter 55a, with a person, firm, corporation or other entity to administer such program. The Department of [Economic and] Community Development, in consultation with such person, firm, corporation or

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4563 entity, if applicable, shall create guidelines necessary for the 4564 administration of the provisions of this section. If the Department of 4565 [Economic and] Community Development selects such a person, firm, 4566 corporation or other entity to administer the program, not later than 4567 January 1, 2008, and annually thereafter, such person, firm, 4568 corporation or other entity shall submit a report to the Commissioner 4569 of [Economic and] Community Development regarding the status of 4570 such program.

- Sec. 70. Section 32-324h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) The Institute for Sustainable Energy shall (1) compile and distribute educational materials regarding biodiesel to municipalities, local boards of education and private commercial entities to educate future consumers, and (2) establish and administer a Connecticut biodiesel link program to establish a database of schools, restaurants, institutional cafeterias and other institutions and businesses in the state that produce waste vegetable oil or other comparable food product suitable for conversion to biodiesel. The database shall be maintained by the Institute for Sustainable Energy and shall be made available to the public on said institute's Internet web site. Businesses interested in selling their waste vegetable oil or other comparable food product to producers of biodiesel heating and motor vehicle fuel may notify the Institute for Sustainable Energy and have their names, contact information and intentions regarding such businesses placed on said web site. The Institute for Sustainable Energy shall make reasonable efforts to facilitate contact between parties with similar interests.
 - (b) The Institute for Sustainable Energy shall post educational materials regarding the Connecticut biofuel link program on said institute's Internet web site, and such information shall be posted as a link on the Internet web sites of the Department of [Economic and] Community Development, the Department of Agriculture, The Connecticut Agricultural Experiment Station, The University of

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- Connecticut Biofuel Consortium and The University of Connecticut Cooperative Extension System, including, but not limited to,
- 4598 information regarding the starting of a waste vegetable oil business
- and strategies for conducting such business.
- Sec. 71. Section 32-329 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one hundred million dollars.
 - (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development for the purposes of section 32-328.
 - (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are

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- pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.
- Sec. 72. Section 32-345 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4636 (a) The Department of [Economic and] Community Development 4637 may establish a Connecticut development research and economic 4638 assistance matching grant program, within available appropriations 4639 and, for the purposes of providing financial aid, as defined in 4640 subdivision (4) of section 32-34, to assist: (1) Connecticut small 4641 businesses in conducting marketing-related activities to facilitate 4642 commercialization of research projects funded under the small 4643 business innovation research program or the small business 4644 technology transfer program; (2) business-led consortia or Connecticut businesses in connection with their participation in a federal 4645 4646 technology support program; and (3) micro businesses, in conducting 4647 development and research. The department may enter into an 4648 agreement, pursuant to chapter 55a, with a person, firm, corporation or 4649 other entity to operate such program.
 - (b) Applications shall be submitted in the manner prescribed by the department. Each such application shall include the following: (1) The location of the principal place of business of the applicant; (2) an explanation of the intended use of the funding being applied for, the potential market for the end product of the project and the marketing strategy; and (3) such other information that the department deems necessary. Information contained in any such application submitted to the department under this section which is of a proprietary nature shall be exempt from the provisions of subsection (a) of section 1-210.
 - (c) In determining whether an applicant shall be selected for

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funding pursuant to this section, the department, or the operator, if any, selected pursuant to subsection (a) of this section, shall consider, but such consideration need not be limited to, the following factors: (1) The description of the small business innovation research project, the small business technology transfer project or the federally-supported technology project and the potential commercial applicability of such project; (2) evidence of satisfactory participation in the applicable small business innovation research program, the small business technology transfer program or the federal technology support program; (3) the potential impact of such research project on the workforce in the region where such small business is located; (4) the size of the potential market, strength of the marketing strategy, and ability of the applicant to execute the strategy and successfully commercialize the end product; and (5) the resources and record of success of the company relative to development and commercialization. Within the availability of funds, the department may provide financial aid to eligible applicants provided no business may receive more than fifty thousand dollars for any single small business innovation research project or small business technology transfer project. The department may require a business to repay such assistance or pay a multiple of the assistance to the department. All such repayments and payments shall be deposited in the Connecticut technology partnership assistance program revolving account established under section 32-346.

(d) The department may establish a development, research and economic assistance matching financial aid program for micro businesses that have received federal funds for Phase II proposals under the small business innovation research program and the small business technology transfer program. Any micro business receiving financial aid under this subsection shall use such financial aid for the same purpose such micro business was awarded said federal funds. The department may enter into an agreement, pursuant to chapter 55a, with a person, firm, corporation or other entity to operate such a program.

(e) On or before January 15, 2008, and annually thereafter, the

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- 4694 Commissioner of [Economic and] Community Development shall, in 4695 consultation with the program operator, if any, submit a report on the 4696 status of the development research and economic assistance matching 4697 grant program to the chairpersons of the joint standing committee of 4698 the General Assembly having cognizance of matters relating to the 4699 Department of [Economic and] Community Development. Such report 4700 shall include, but need not be limited to, a description of the projects 4701 supported and the type of financial aid provided.
- Sec. 73. Section 32-348 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4704 (a) There is hereby established within the Department of [Economic 4705 and] Community Development a manufacturing extension service 4706 program for the purpose of awarding a grant to the Connecticut 4707 manufacturing extension partnership affiliate, which shall be known as 4708 CONNSTEP, as designated by the United States Department of 4709 Commerce National Institute of Standards and Technology. 4710 Applications for a grant under this section shall be made and grants 4711 shall be awarded in the manner and form prescribed by the 4712 commissioner. The extension service's responsibilities shall include, 4713 but not be limited to, providing training for small and medium-sized 4714 businesses in high performance work practices.
 - (b) For the purposes described in subsection (c) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate four million dollars.
 - (c) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (c) of this section, shall be used by the Commissioner of [Economic and] Community Development for the purposes of subsection (a) of this section.
- 4724 (d) All provisions of section 3-20, or the exercise of any right or 4725 power granted thereby which are not inconsistent with the provisions

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4726 of this section are hereby adopted and shall apply to all bonds 4727 authorized by the State Bond Commission pursuant to this section, and 4728 temporary notes in anticipation of the money to be derived from the 4729 sale of any such bonds so authorized may be issued in accordance with 4730 said section 3-20 and from time to time renewed. Such bonds shall 4731 mature at such time or times not exceeding twenty years from their 4732 respective dates as may be provided in or pursuant to the resolution or 4733 resolutions of the State Bond Commission authorizing such bonds. 4734 None of said bonds shall be authorized except upon a finding by the 4735 State Bond Commission that there has been filed with it a request for 4736 such authorization, which is signed by or on behalf of the Secretary of 4737 the Office of Policy and Management and states such terms and 4738 conditions as said commission, in its discretion, may require. Said 4739 bonds issued pursuant to this section shall be general obligations of the 4740 state and the full faith and credit of the state of Connecticut are 4741 pledged for the payment of the principal of and interest on said bonds 4742 as the same become due, and accordingly and as part of the contract of 4743 the state with the holders of said bonds, appropriation of all amounts 4744 necessary for punctual payment of such principal and interest is 4745 hereby made, and the Treasurer shall pay such principal and interest 4746 as the same become due.

Sec. 74. Section 32-349 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) There shall be established a one-stop business registry in the Department of [Economic and] Community Development. The Secretary of the Office of Policy and Management shall coordinate the establishment of the business registry. [, which shall be operational by July 1, 1995.] The Department of [Economic and] Community Development and the Office of Policy and Management may jointly contract with private entities for purposes of implementing the provisions of this section. The registry shall provide the following services to any person, firm or corporation engaged in or intending to engage in business activities in the state: (1) Access by computer network to all applicable forms relating to registration, regulatory,

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- licensing, permitting and approval requirements of each state agency which may have jurisdiction over the activities of such person, firm or corporation, (2) assistance in the completion of all such forms, (3) centralized collection of any fees required to be paid by the person, firm or corporation pursuant to registration, regulatory, licensing, permitting or approval requirements of state agencies and distribution to each such agency of any such fees, (4) submission of completed forms to state agencies by computer network and (5) liaison with all agencies receiving such completed forms to ensure that the forms are processed promptly.
 - (b) For the purposes described in subsection (c) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one million dollars.
 - (c) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (b) of this section, shall be used by the Commissioner of [Economic and] Community Development for the purposes of subsection (a) of this section.
 - (d) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and

4793 conditions as said commission, in its discretion, may require. Said 4794 bonds issued pursuant to this section shall be general obligations of the 4795 state and the full faith and credit of the state of Connecticut are 4796 pledged for the payment of the principal of and interest on said bonds 4797 as the same become due, and accordingly and as part of the contract of 4798 the state with the holders of said bonds, appropriation of all amounts 4799 necessary for punctual payment of such principal and interest is 4800 hereby made, and the Treasurer shall pay such principal and interest 4801 as the same become due.

- Sec. 75. Section 32-356 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) For purposes of this section, "incubator facilities" shall have the same meaning as incubator facilities in section 32-34.
 - (b) The Commissioner of [Economic and] Community Development shall contract with other state agencies, for-profit companies or nonprofit organizations to establish the small business incubator program to provide grants to entities operating incubator facilities, as defined in section 32-34. The Department of [Economic and] Community Development may enter into an agreement, pursuant to chapter 55a, with a person, firm, corporation or other entity to operate such program. The department, or a program operator selected pursuant to this subsection, shall, subject to the availability of funds, operate a technology-based small business incubator program. In accordance with the written guidelines developed by the department, the department or program operator, if any, may provide grants to assist small businesses operating within incubator facilities. Grants made pursuant to this section shall be used by such entities to provide operating funds and related services, including business plan preparation, assistance in acquiring financing and management counseling.
 - (c) An entity shall submit an application for a grant pursuant to this section in the manner prescribed by the Commissioner of [Economic

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- and Community Development.
- (d) There is established an account to be known as the small business incubator account, which shall be a separate, nonlapsing account within the General Fund. The commissioner may use funds from the account to provide administrative expenses and grants pursuant to this section.
- 4831 (e) (1) There is established a Small Business Incubator Advisory 4832 Board. Said board shall consist of: (A) The Commissioner of [Economic 4833 and Community Development; (B) the president of the Connecticut 4834 Development Authority and the executive director of Connecticut 4835 Innovations, Incorporated, as ex-officio nonvoting members, or their 4836 designees; (C) one member to be appointed by the Governor; (D) two 4837 members with experience in the field of technology transfer and 4838 commercialization, to be appointed by the speaker of the House of 4839 Representatives; (E) two members with experience in new product and 4840 market development, to be appointed by the president pro tempore of 4841 the Senate; (F) one member to be appointed by the majority leader of 4842 the Senate; (G) one member to be appointed by the majority leader of 4843 the House of Representatives; (H) one member with experience in seed 4844 and early stage capital investment, to be appointed by the minority 4845 leader of the House of Representatives; and (I) one member with 4846 experience in seed and early stage capital investment, to be appointed 4847 by the minority leader of the Senate. All initial appointments to said 4848 board shall be made not later than September 1, 2007.
 - (2) The Commissioner of [Economic and] Community Development shall schedule the first meeting of said board not later than October 15, 2007. Thereafter, the board shall meet at least once annually to evaluate and recommend changes to the guidelines adopted pursuant to this section.
- Sec. 76. Section 32-454 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4856 (a) Each awarding authority shall require each recipient of economic

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4857 development financial assistance for a threshold project to report 4858 annually to the authority on its progress toward achieving the public 4859 policy objectives which they have agreed to under subsection (b) of 4860 section 32-453. The awarding authority shall provide a copy of such 4861 report (1) to the chief elected official of the municipality in which the 4862 project will be located, upon the request of such official, and (2) to any 4863 employee representatives of the business, upon the request of such 4864 representatives.

- (b) Upon submitting each biannual report required under subsection (c) of section 32-11a or section 32-47a, each awarding authority under said provisions shall transmit a report on each threshold project (1) to the chief elected official of each municipality in which the project is located, upon the request of such official, and (2) to any employee representatives of the business, upon the request of such representatives. Each report shall include a notice indicating that (A) the information in the report is also being submitted to the joint standing committees of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development, appropriations and capital bonding, and (B) comments, including comments on employee and community participation in implementing the project, may be submitted to such committees.
- Sec. 77. Section 32-462 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4880 (a) As used in this section:
- 4881 (1) "Agency" means the Department of [Economic and] Community 4882 Development, the Connecticut Development Authority or Connecticut 4883 Innovations, Incorporated.
 - (2) "Financial assistance" means grants, loans, loan guarantees, contracts of insurance, investments, or combinations thereof, which are provided from the proceeds of bonds, notes or other obligations of the state or an agency which constitute a debt or liability of the state or which are secured by a special capital reserve fund payable from

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- amounts appropriated or deemed appropriated from the General Fund.
- 4891 (3) "Applicant" means any eligible applicant seeking financial 4892 assistance from an agency for a business project. The term "applicant" 4893 shall not include any political subdivision of the state.
 - (4) "Business project" means a business proposal undertaken by one or more applicants, but does not include housing unless undertaken in combination with another unrelated type of business.
- (5) "Biotechnology business project" means any commercial project to be used or occupied by any person to conduct laboratory activity relating to, or the research, development or manufacture of, biologically active molecules or devices that apply to, affect or analyze biological processes.
 - (b) (1) No agency or agencies may award more than a total of ten million dollars of financial assistance during any two-year period to an applicant or for a business project unless such financial assistance is specifically authorized by an act of the General Assembly which has been enacted before, on or after July 1, 1994. (2) The provisions of subdivision (1) of this subsection shall not apply to any awards funded or to be funded by bonds authorized to be issued by the State Bond Commission before July 1, 1994.
 - (c) Notwithstanding the provisions of subsection (b) of this section, no agency or agencies may award more than twenty million dollars of financial assistance for a biotechnology business project during any two-year period unless such financial assistance is specifically authorized by an act of the General Assembly which has been enacted before, on or after July 1, 2001.
- Sec. 78. Section 32-480 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- The Department of [Economic and] Community Development, the

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- 4919 Labor Department, the Connecticut Development Authority and
- 4920 Connecticut Innovations, Incorporated shall, when appropriate,
- 4921 encourage persons, firms and corporations which contact said
- 4922 departments or authorities for financial assistance to utilize high
- 4923 performance work practices in their business operations.
- Sec. 79. Section 32-500 of the general statutes is repealed and the
- 4925 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4926 As used in sections 32-500 to 32-512, inclusive:
- 4927 (1) "Authority" means the Connecticut Development Authority;
- 4928 (2) "Commissioner" means the Commissioner of [Economic and]
- 4929 Community Development;
- 4930 (3) "Department" means Department of [Economic and] Community
- 4931 Development;
- 4932 (4) "Export" means the sale of goods or services by a business in
- 4933 Connecticut to a person, firm or corporation in another country;
- 4934 (5) "Financial assistance" means grants, extensions of credit, loans or
- 4935 loan guarantees or combinations thereof;
- 4936 (6) "Participation fee" means a fee paid to the state to compensate for
- 4937 expenses incurred by the state in organizing a trade show;
- 4938 (7) "Recruitment" means the recruitment of foreign investment to
- 4939 the state;
- 4940 (8) "Small and medium-sized company" means a business having
- 4941 not more than two hundred fifty employees;
- 4942 (9) "State" means the state of Connecticut;
- 4943 (10) "Success fee" means a fee paid to the department by a company
- 4944 which receives a contract to export goods or services as a result of
- assistance from the department;

- 4946 (11) "Trade consortium" means an industry cluster grouping of two 4947 or more companies, with or without university partners, working as a 4948 unified organization for the purpose of promoting and managing the 4949 exports of participating companies;
- 4950 (12) "Trade development company" means a business that assists small and medium-sized companies in entering foreign markets; and
- 4952 (13) "Trade representative" means a commercial trade representative 4953 in important world markets.
- Sec. 80. Section 32-501 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 4956 (a) The commissioner shall have jurisdiction over the coordination 4957 of trade development activities in the state. The commissioner shall 4958 contract with other state entities, for-profit companies or nonprofit 4959 organizations to provide services related to initiate, conduct and 4960 coordinate the implementation of Department of [Economic and] 4961 Community Development programs to promote and assist Connecticut 4962 businesses with international trade. The commissioner shall be 4963 responsible for planning, developing and administering such 4964 programs and may adopt regulations in accordance with the 4965 provisions of chapter 54 to carry out the purposes of sections 32-500 to 4966 32-512, inclusive.
- (b) The commissioner may give priority in such programs to promoting and assisting Connecticut businesses with regard to trade with African countries with whom the United States has diplomatic relations.
- Sec. 81. Section 32-502 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- [There is hereby established within the] <u>The</u> Department of [Economic and] Community Development <u>may contract with other</u> state entities, for-profit companies or nonprofit organizations to

provide services related to establish an export extension service program for the purpose of awarding, within available resources, a grant to a public, private or nonprofit entity for the purpose of certifying, training and overseeing broker agents who shall have expertise in export transactions and shall provide outreach and technical services to businesses that either have not engaged in exporting or have only recently begun exporting.

Sec. 82. Section 32-511 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) There is established a Connecticut International Trade Council. The council shall consist of: (1) Six members appointed by the Governor, two of whom shall have expertise in the field of export financing; (2) (A) the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development, or (B) their designees, who may be members of the General Assembly; (3) one member appointed by the president pro tempore of the Senate, who shall have expertise in the field of export financing; (4) one member appointed by the majority leader of the Senate; (5) one member appointed by the minority leader of the Senate; (6) one member appointed by the speaker of the House of Representatives; (7) one member appointed by the majority leader of the House of Representatives; and (8) one member appointed by the minority leader of the House of Representatives, who shall have expertise in the field of export financing. All members of the council, except the members described in subparagraph (A) of subdivision (2) of this subsection, shall have expertise in the field of business or international trade. All appointments to the council shall be made within thirty days after July 1, 1994. The term of each appointed or designated member of the council shall be coterminous with the term of the appointing authority. The council shall elect a chairperson and a vice-chairperson from among its members. Any person absent from (A) three consecutive meetings of the council or (B) fifty per cent of such meetings during any calendar year shall be deemed to have

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- resigned from the council, effective immediately. Any vacancy on the council shall be filled by the appointing authority. Members of the council shall serve without compensation but shall, within the limits of available funds, be reimbursed for expenses necessarily incurred in the performance of their duties. The council shall meet as often as deemed necessary by the chairperson or a majority of the council.
- 5016 (b) The council shall advise the Commissioner of [Economic and] 5017 Community Development and the joint standing committee of the 5018 General Assembly having cognizance of matters relating to the 5019 Department of [Economic and] Community Development concerning 5020 (1) more efficient use of existing infrastructure to address the needs of 5021 importing and exporting businesses in Connecticut, and (2) programs 5022 for promoting the growth of such businesses, including but not limited 5023 to, (A) foreign trade zones and interstate foreign trade zones, (B) state, 5024 federal and interstate enterprise zones, and (C) bonded warehouses. 5025 Not later than January fifteenth, annually, the council shall submit a 5026 report on its findings to the Governor and such committee.
- 5027 (c) The council may receive and use such funds as may be available 5028 from federal, state or other sources and may enter into contracts to 5029 carry out the purposes of this section.
- 5030 (d) The council may, subject to the provisions of chapter 67, employ any necessary staff within available appropriations.
- (e) The four members of the council required to have expertise in the field of export financing shall constitute a trade advisory subcommittee of the council.
- 5035 Sec. 83. Section 32-616 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) For the purposes described in subsection (b) of this section the State Bond Commission shall have power, from time to time but in no case later than June 30, 2009, to authorize the issuance of bonds of the state, in one or more series and in principal amounts and in the

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- aggregate not exceeding one hundred fifteen million dollars and such additional amounts as may be required in connection with the costs of issuance of the bonds including bond anticipation, temporary and interim notes, the proceeds of which shall be used by the State Treasurer to pay the costs of issuance, provided in computing the total amount of bonds which may at any one time be outstanding, the principal amount of any refunding bonds issued to refund bonds shall be excluded.
- (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of [Economic and] Community Development for grants-in-aid for capital city projects as follows:
 - (1) For the Civic Center and coliseum complex renovation and rejuvenation project, not exceeding fifteen million dollars;
 - (2) For the riverfront infrastructure development and improvement project, not exceeding twenty-five million dollars provided no amount shall be issued under this subdivision until the Commissioner of [Economic and] Community Development certifies to the State Bond Commission that it has received a commitment by agreement, contract or other legally enforceable instrument with private investors or developers for a minimum private investment equal to the amount of bonds at the time such bonds are issued pursuant to this subdivision taken together with any previous commitments; and provided further, twelve million dollars of said authorization shall be effective July 1, 1999, seven million dollars of said authorization shall be effective July 1, 2001, and three million dollars of said authorization shall be effective July 1, 2003;
 - (3) For housing rehabilitation and new construction projects, as defined in subparagraph (E) (i) of subdivision (2) of section 32-600, not exceeding thirty-five million dollars, provided seven million dollars of said authorization shall be effective July 1, 1999, fourteen million dollars of said authorization shall be effective July 1, 2000, fourteen

million dollars of said authorization shall be effective July 1, 2001, and four million dollars of said authorization shall be effective July 1, 2003;

- (4) For demolition or redevelopment projects, as defined in subparagraph (E) (ii) of subdivision (2) of section 32-600, not exceeding twenty-five million dollars, provided seven million dollars of said authorization shall be effective July 1, 1999, eight million dollars of said authorization shall be effective July 1, 2000, five million dollars of said authorization shall be effective July 1, 2001, and three million dollars of said authorization shall be effective July 1, 2003;
- (5) For parking projects, as defined in subparagraph (F) of subdivision (2) of section 32-600, not exceeding fifteen million dollars provided five million dollars of said authorization shall be effective July 1, 1999, and five million dollars of said authorization shall be effective July 1, 2000.
- (c) All provisions of section 3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said section 3-20, and temporary or interim notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20, and from time to time renewed provided no filings required by subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said section 3-20 shall be required. Such bonds shall mature at such time or times not exceeding twenty years from either their respective dates. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by the Secretary of the Office of Policy and Management stating such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to section 32-614 shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds, including temporary or interim notes, as the

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same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made including with respect to interest on temporary or interim notes and principal thereof to the extent not funded with renewals thereof or bonds, and the State Treasurer shall pay such principal and interest as the same become due.

(d) For the purposes of this section "state moneys" means the proceeds of the sale of bonds authorized pursuant to section 3-20 or of temporary or interim notes issued in anticipation of the moneys to be derived from the sale of such bonds. Request filed for an authorization of bonds shall identify the project for which the proceeds of the sale of such bonds are to be used and expended and, if applicable, shall include the recommendation of the secretary as to the extent to which federal, private or other moneys then available or thereafter to be made available for costs in connection with such project should be added to the state moneys available or becoming available hereunder for such project. If the request includes a recommendation that some amount of such federal, private or other moneys should be added to such state moneys, then, if and to the extent directed by the State Bond Commission at the time of authorization of such bonds, said amount of such federal, private or other moneys then available or thereafter to be made available for costs in connection with such project may be added to any state moneys available or becoming available hereunder for such project and be used for such project as if constituting such state moneys, and any other federal, private or other moneys then available or thereafter to be made available for costs in connection with such project, if and to the extent from time to time directed by the State Bond Commission, upon receipt shall, in conformity with applicable federal and state law, be used for the purposes for which such other moneys are received in accordance with the proceedings of the State Bond Commission, and otherwise by the State Treasurer to meet the principal of outstanding bonds issued pursuant to this section or to meet the principal of temporary or interim notes issued in anticipation

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5140 of the money to be derived from the sale of bonds theretofore 5141 authorized pursuant to said section 3-20 for the purpose of financing 5142 such costs, either by purchase or redemption and cancellation of such 5143 bonds or notes or by payment thereof at maturity. Whenever any of 5144 the federal, private or other moneys so received with respect to such 5145 project are used to meet principal of such temporary or interim notes 5146 or whenever principal on any such temporary or interim notes is 5147 retired by application of revenue receipts of the state, the amount of 5148 bonds theretofore authorized in anticipation of which such temporary 5149 or interim notes were issued, and the aggregate amount of bonds 5150 which may be authorized pursuant to this section, shall each be 5151 reduced by the amount of the principal so met or retired. Pending use of the federal, private or other moneys so received to meet principal as 5152 5153 hereinabove directed, the amount thereof may be invested by, or at the 5154 direction of, the State Treasurer in bonds or obligations of, or 5155 guaranteed by, the state or the United States or agencies or 5156 instrumentalities of the United States, or in accordance with the 5157 provisions of said section 3-20, and shall be deemed to be part of the 5158 debt retirement funds of the state, and net earnings on such 5159 investments shall be used in the same manner as the said moneys so 5160 invested.

- (e) Any balance of proceeds of the sale of said bonds authorized by this section in excess of the aggregate costs of the project so authorized shall be used to meet interest and principal amounts as the same become due on said bonds authorized.
- (f) Net earnings on investment of proceeds, accrued interest and premiums on the issuance of any of such bonds authorized by this section after payment of expenses incurred by the State Treasurer or State Bond Commission in connection with their issuance, if any, shall be used to meet interest and principal amounts as the same become due on said bonds authorized.
- 5171 Sec. 84. Section 32-701 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

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- (a) The terms and conditions of any agreement for state assistance under any program of the general statutes to a business entity operated for profit administered by the Department of [Economic and] Community Development, Connecticut Development Authority and Connecticut Innovations, Incorporated, shall include provisions for (1) specific goals for the creation and retention of full-time and part-time jobs and for periodic reports by the recipient on progress in achieving such goals if the primary purpose of the state assistance is job creation or retention, and (2) a requirement that an applicant for any type of state assistance, except grants and loans of a term of less than one year, provide the agency with appropriate security for such financial assistance, including, but not limited to, a letter of credit, a lien on real property or a security interest in goods, equipment, inventory or other property of any kind and that the recipient of such state assistance will remain in substantial material compliance with state and federal law.
- (b) If a recipient fails to create or retain the number of jobs in this state stipulated in an agreement for state assistance and such failure is due to circumstances within the control of such recipient, the recipient shall repay an amount that is in proportion to the number of jobs that it failed to create or retain unless the awarding authority deems it is in the best interests of the state or the community in which the recipient is located to revise such job creation goals. In such event, the parties shall enter into a revised agreement subject to the approvals required by subsection (c) of this section. Upon request of the awarding authority, a recipient shall provide information necessary to determine compliance with this section, including information showing the compensation paid to employees on jobs created as a result of the state assistance.
- (c) The awarding authority, in its discretion, may modify the terms and conditions of any state assistance, including, but not limited to, forgiveness of repayment of a loan, revision of job creation and retention goals or changes to interest rates, provided such awarding authority notifies the State Bond Commission or the appropriate board of directors, if any, of the modification.

5207 Sec. 85. Section 32-718 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

The Department of [Economic and] Community Development, Connecticut Innovations, Incorporated, The University of Connecticut, the Connecticut Development Authority and the Office of Workforce Competitiveness may use up to ten million dollars of their existing resources for plan implementation and to provide a catalyst for an additional forty million dollars of private investment. The plan for how these funds will be applied and how they will leverage the private money shall be presented to and approved by the State Bond Commission.

Sec. 86. Subsection (f) of section 47-88b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):

(f) Any declarant of a conversion condominium shall, in addition to the filing required by section 47-71, file with the [Department of Economic and Community Development Connecticut Housing Finance Authority within one hundred twenty days of the giving of the notice required by subsection (b) of this section: (1) A copy of the declaration and the public offering statement submitted to each tenant, and (2) a sworn statement that each tenant who is entitled to receive notice under subsection (b) of this section and has not exercised his option to buy has received the notice required by subsection (b) of this section and has received relocation assistance which has included information on the availability of alternate housing, financing programs and federal, state and municipal housing assistance and the availability of moving and relocation expenses under section 47-88d, or that reasonable efforts have been made to provide such relocation assistance to such tenant. If at the time of such filing all of the tenants have not received notice under subsection (b) of this section, the declarant shall file subsequent sworn statements with the [department] authority within one hundred twenty days of the date notice was given to a tenant. The [department] authority shall charge a fee of two

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- dollars per unit converted for such filing. The [Commissioner of Economic and Community Development shall adopt regulations in accordance with chapter 54 within ninety days of May 7, 1980] authority shall adopt written procedures, in accordance with section 1-121, to determine the type of information to be included in such relocation assistance.
- Sec. 87. Section 47-284 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) At least nine months before a conversion tenant will be required to vacate a converted unit, other than for reasons permitted by subsection (b) of section 47a-23c, and, if a tenant has a purchase right pursuant to section 47-285, at least ninety days prior to the sale of the converted unit by the declarant to a person other than a conversion tenant, a declarant shall give that tenant a conversion notice and provide that tenant with a public offering statement when otherwise required by section 47-263 or 47-267.
 - (b) The conversion notice shall inform a tenant of: (1) The date the declarant converted, or intends to convert, the building to a common interest form of ownership; (2) the right of the tenant during the transition period to protection from eviction; (3) the exclusive right of the tenant, as described in section 47-285, to purchase his converted unit during the first ninety days after receipt of the conversion notice; (4) the right of the tenant, as described in section 47-286, to terminate his tenancy and abandon his converted unit on thirty days notice, and the right of each qualified tenant, as described in section 47-287, to a relocation payment; (5) the availability from the Department of [Economic and] Community Development of information concerning governmental assistance to (A) purchase the converted unit or alternative housing, or (B) find, and relocate to, alternative housing; and (6) the address and [phone] telephone number for information concerning the availability of relocation payments and for information from the Department of [Economic and] Community Development concerning governmental assistance.

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- (c) The conversion notice and public offering statement shall be hand-delivered or sent by certified mail, return receipt requested, to the address of the dwelling unit and to any other mailing address provided by a tenant.
- Sec. 88. Section 47-288 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) If a common interest community contains or will contain any conversion building, or any land currently or formerly in a mobile manufactured home park, in which any unit was last occupied as a dwelling unit, the declarant, prior to creating such common interest community, shall register such common interest community and each dwelling unit therein with the Commissioner of [Economic and] Community Development in such manner as the commissioner may prescribe by regulations adopted pursuant to section 47-295. The declarant's registration shall be accompanied by a registration fee of fifty dollars per dwelling unit being converted. No declarant shall offer to sell, sell or otherwise dispose of a unit in a common interest community until such registration is filed and such registration fees are paid.
 - (b) At the time of giving a conversion notice, the declarant shall send a copy of the conversion notice to the Commissioner of [Economic and] Community Development, together with: (1) The address of the property; (2) the number of occupied dwelling units in the property on the day of the notice; (3) the number of dwelling units in the property on the day of the notice; and (4) the number of dwelling units in the property occupied at any time during the preceding twelve months.
 - (c) The Commissioner of [Economic and] Community Development, in addition to taking any action authorized by section 47-294, shall require the declarant to (1) provide the Department of [Economic and] Community Development with a copy of the public offering statement, and (2) distribute to tenants any material which the commissioner has

- 5305 prepared regarding the availability of governmental assistance.
- 5306 (d) Within six months of giving the conversion notice, the declarant 5307 shall notify the Commissioner of [Economic and] Community 5308 Development of: (1) The number of tenants who purchased their 5309 dwelling units or, in the case of a mobile manufactured home park, 5310 who purchased the space or lot upon which their dwelling units sit; (2) 5311 the number of tenants who stayed in their dwelling units and did not 5312 purchase; (3) the number of tenants who moved; (4) the number of 5313 moving tenants who received a relocation payment under section 47-5314 287; and (5) the number of tenants against whom summary process 5315 proceedings were begun.
- 5316 (e) The notification to the Commissioner of [Economic and] 5317 Community Development pursuant to subsection (d) of this section 5318 shall be accompanied by a statement of the declarant, certified as true 5319 under penalty of false statement, that, to the best of his knowledge and 5320 belief, all tenants entitled to a relocation payment under section 47-287 5321 received such payment. If any tenant entitled to a relocation payment 5322 did not receive it, the statement shall describe why the payment was 5323 not made.
- 5324 Sec. 89. Section 47a-56k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5326 (a) The State Bond Commission shall have power, in accordance 5327 with the provisions of this section, from time to time to authorize the 5328 issuance of bonds of the state in one or more series and in principal 5329 amounts not exceeding in the aggregate three hundred thousand 5330 dollars, the proceeds of the sale of which shall be used by the 5331 [Department of Economic and Community Development] Connecticut 5332 Housing Finance Authority to provide funds for the Housing 5333 Receivership Revolving Fund established in accordance with section 5334 47a-56i, provided not more than two hundred thousand dollars may be 5335 expended from said fund in any single municipality.
 - (b) All provisions of section 3-20 or the exercise of any right or

5337 power granted thereby which are not inconsistent with the provisions 5338 of this section are hereby adopted and shall apply to all bonds 5339 authorized by the State Bond Commission pursuant to this section, and 5340 temporary notes in anticipation of the money to be derived from the 5341 sale of any such bonds so authorized may be issued in accordance with 5342 said section 3-20 and from time to time renewed. Such bonds shall 5343 mature at such time or times not exceeding twenty years from their 5344 respective dates as may be provided in or pursuant to the resolution or 5345 resolutions of the State Bond Commission authorizing such bonds. 5346 None of such bonds shall be authorized except upon a finding by the 5347 State Bond Commission that there has been filed with it a request for 5348 such authorization which is signed by or on behalf of the [Commissioner of Economic and Community Development] executive 5349 5350 director of the Connecticut Housing Finance Authority and states such 5351 terms and conditions as said commission in its discretion may require. 5352 Such bonds issued pursuant to this section shall be general obligations 5353 of the state and the full faith and credit of the state of Connecticut are 5354 pledged for the payment of the principal of and interest on such bonds 5355 as the same become due, and accordingly and as part of the contract of 5356 the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is 5357 5358 hereby made and the Treasurer shall pay such principal and interest as 5359 the same become due.

- Sec. 90. Subsection (d) of section 2c-2b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 5362 1, 2009):
- 5363 (d) The following governmental entities and programs are 5364 terminated, effective July 1, 2013, unless reestablished in accordance 5365 with the provisions of section 2c-10:
- 5366 (1) State Insurance and Risk Management Board, established under section 4a-19;
 - (2) Connecticut Marketing Authority, established under section 22-

- 5369 63;
- 5370 (3) Occupational Safety and Health Review Commission,
- 5371 established under section 31-376;
- 5372 (4) Connecticut Siting Council, established under section 16-50j;
- 5373 (5) Connecticut Public Transportation Commission, established
- 5374 under section 13b-11a;
- 5375 (6) State Board of Accountancy, established under section 20-280;
- 5376 (7) Repealed by P.A. 99-73, S. 10;
- 5377 (8) Repealed by P.A. 85-613, S. 153, 154;
- 5378 (9) State Milk Regulation Board, established under section 22-131;
- 5379 (10) Deleted by P.A. 99-73, S. 1;
- 5380 (11) Council on Environmental Quality, established under section
- 5381 22a-11;
- 5382 (12) Repealed by P.A. 85-613, S. 153, 154;
- 5383 (13) Repealed by P.A. 83-487, S. 32, 33;
- 5384 (14) Employment Security Board of Review, established under
- 5385 section 31-237c;
- 5386 (15) Repealed by P.A. 85-613, S. 153, 154;
- 5387 (16) Connecticut Energy Advisory Board, established under section
- 5388 16a-3;
- 5389 (17) Connecticut Solid Waste Management Advisory Council,
- established under subsection (a) of section 22a-279;
- 5391 (18) Investment Advisory Council, established under section 3-13b;
- 5392 (19) State Properties Review Board, established under subsection (a)

- 5393 of section 4b-3;
- 5394 (20) Commission on Human Rights and Opportunities, established
- 5395 under section 46a-52;
- 5396 (21) The coastal management program, established under chapter
- 5397 444;
- 5398 (22) Department of [Economic and] Community Development,
- 5399 established under sections 4-38c and 8-37r;
- 5400 (23) Family support grant program of the Department of Social
- 5401 Services, established under section 17b-616;
- 5402 (24) Program of regulation of occupational therapists, established
- 5403 under chapter 376a;
- 5404 (25) Repealed by P.A. 85-613, S. 153, 154;
- 5405 (26) Architectural Licensing Board, established under section 20-289;
- 5406 (27) Repealed by June Sp. Sess. P.A. 01-5, S. 17, 18; and
- 5407 (28) The Connecticut Transportation Strategy Board.
- Sec. 91. Section 4-38c of the general statutes is repealed and the
- 5409 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5410 There shall be within the executive branch of state government the
- 5411 following departments: Office of Policy and Management, Department
- 5412 of Administrative Services, Department of Revenue Services,
- 5413 Department of Banking, Department of Agriculture, Department of
- 5414 Children and Families, Department of Consumer Protection,
- 5415 Department of Correction, Department of [Economic and] Community
- 5416 Development, State Board of Education, Department of Emergency
- 5417 Management and Homeland Security, Department of Environmental
- 5418 Protection, Department of Public Health, Board of Governors of
- 5419 Higher Education, Insurance Department, Labor Department,
- 5420 Department of Mental Health and Addiction Services, Department of

- 5421 Developmental Services, Department of Public Safety, Department of
- 5422 Social Services, Department of Transportation, Department of Motor
- 5423 Vehicles, Department of Veterans' Affairs, Department of Public
- Works and Department of Public Utility Control.
- 5425 Sec. 92. Section 4-66c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5427 (a) For the purposes of subsection (b) of this section, the State Bond 5428 Commission shall have power, from time to time to authorize the 5429 issuance of bonds of the state in one or more series and in principal 5430 amounts not exceeding in the aggregate one billion one hundred 5431 seventy-two million four hundred eighty-seven thousand five hundred 5432 forty-four dollars, provided twenty million dollars of said 5433 authorization shall be effective July 1, 2008. All provisions of section 3-5434 20, or the exercise of any right or power granted thereby, which are not 5435 inconsistent with the provisions of this section, are hereby adopted 5436 and shall apply to all bonds authorized by the State Bond Commission 5437 pursuant to this section, and temporary notes in anticipation of the 5438 money to be derived from the sale of any such bonds so authorized 5439 may be issued in accordance with said section 3-20 and from time to 5440 time renewed. Such bonds shall mature at such time or times not 5441 exceeding twenty years from their respective dates as may be provided 5442 in or pursuant to the resolution or resolutions of the State Bond 5443 Commission authorizing such bonds. None of said bonds shall be 5444 authorized except upon a finding by the State Bond Commission that 5445 there has been filed with it a request for such authorization, which is 5446 signed by or on behalf of the Secretary of the Office of Policy and 5447 Management and states such terms and conditions as said commission 5448 in its discretion may require. Said bonds issued pursuant to this 5449 section shall be general obligations of the state and the full faith and 5450 credit of the state of Connecticut are pledged for the payment of the 5451 principal of and interest on said bonds as the same become due, and 5452 accordingly as part of the contract of the state with the holders of said 5453 bonds, appropriation of all amounts necessary for punctual payment 5454 of such principal and interest is hereby made, and the Treasurer shall

pay such principal and interest as the same become due.

(b) (1) The proceeds of the sale of said bonds, to the extent hereinafter stated, shall be used, subject to the provisions of subsections (c) and (d) of this section, for the purpose of redirecting, improving and expanding state activities which promote community conservation and development and improve the quality of life for urban residents of the state as hereinafter stated: (A) For the Department of [Economic and] Community Development: Economic and community development projects, including administrative costs incurred by the Department of [Economic and] Community Development, not exceeding sixty-seven million five hundred ninetyone thousand six hundred forty-two dollars, one million dollars of which shall be used for a grant to the development center program and the nonprofit business consortium deployment center approved pursuant to section 32-411; (B) for the Department of Transportation: Urban mass transit, not exceeding two million dollars; (C) for the Department of Environmental Protection: Recreation development and solid waste disposal projects, not exceeding one million nine hundred ninety-five thousand nine hundred two dollars; (D) for the Department of Social Services: Child day care projects, elderly centers, shelter facilities for victims of domestic violence, emergency shelters and related facilities for the homeless, multipurpose human resource centers and food distribution facilities, not exceeding thirty-nine million one hundred thousand dollars, provided four million dollars of said authorization shall be effective July 1, 1994; (E) for the [Department of Economic and Community Development] Connecticut Housing Finance Authority: Housing projects, not exceeding three million dollars; (F) for the Office of Policy and Management: (i) Grantsin-aid to municipalities for a pilot demonstration program to leverage private contributions for redevelopment of designated historic preservation areas, not exceeding one million dollars; (ii) grants-in-aid for urban development projects including economic and community development, transportation, environmental protection, public safety, children and families and social services projects and programs,

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5489 including, in the case of economic and community development 5490 projects administered on behalf of the Office of Policy and Management by the Department of [Economic and] Community 5491 5492 Development or the Connecticut Housing Finance Authority, 5493 administrative costs incurred by the Connecticut Housing Finance 5494 Authority or the Department of [Economic and] Community 5495 Development, not exceeding one billion fifty-seven million eight 5496 hundred thousand dollars, provided twenty million dollars of said authorization shall be effective July 1, 2008. 5497

- (2) (A) Five million dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection may be made available to private nonprofit organizations for the purposes described in said subparagraph (F)(ii). (B) Twelve million dollars of the grants-inaid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection may be made available for necessary renovations and improvements of libraries. (C) Five million dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection shall be made available for small business gap financing. (D) Ten million dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection may be made available for regional economic development revolving loan funds. (E) One million four hundred thousand dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection shall be made available for rehabilitation and renovation of the Black Rock Library in Bridgeport. (F) Two million five hundred thousand dollars of the grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of this subsection shall be made available for site acquisition, renovation and rehabilitation for the Institute for the Hispanic Family in Hartford.
- (c) Any proceeds from the sale of bonds authorized pursuant to subsections (a) and (b) of this section or of temporary notes issued in anticipation of the moneys to be derived from the sale of such bonds may be used to fund grants-in-aid to municipalities or the grant-in-aid programs of said departments, including, but not limited to, financial assistance and expenses authorized under chapters 128, 129, 130, 133,

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136 and 298, and section 16a-40a, provided any such program shall be implemented in an eligible municipality or is for projects in other municipalities which the State Bond Commission determines will help to meet the goals set forth in section 4-66b. For the purposes of this section, "eligible municipality" means a municipality which is economically distressed within the meaning of subsection (b) of section 32-9p, which is classified as an urban center in any plan adopted by the General Assembly pursuant to section 16a-30, which is classified as a public investment community within the meaning of subdivision (9) of subsection (a) of section 7-545, or in which the State Bond Commission determines that the project in question will help meet the goals set forth in section 4-66b. Notwithstanding the provisions of this subsection, proceeds from the sale of bonds pursuant to this section may, with the approval of the State Bond Commission, be used for transit-oriented development projects, as defined in section 13b-79o, in any municipality.

(d) Any economic development project eligible for assistance under this section may include but not be limited to: (1) The construction or rehabilitation of commercial, industrial and mixed use structures; and (2) the construction, reconstruction or repair of roads, accessways and other site improvements. The state, acting by and in the discretion of the Commissioner of [Economic and] Community Development, may enter into a contract for state financial assistance for any eligible economic or community development project in the form of a grant-inaid. Any grant-in-aid shall be in an amount not in excess of the cost of the project for which the grant is made as determined and approved by the Commissioner of [Economic and] Community Development. Before entering into a grant-in-aid contract the Commissioner of [Economic and] Community Development shall have approved an application submitted on forms provided by the commissioner. No project shall be undertaken until the Commissioner of Economic and Community Development approves the plans, specifications and estimated costs. The commissioner may adopt such regulations, in accordance with chapter 54, as are necessary for the implementation of

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- 5558 (e) Notwithstanding any provision of the general statutes to the 5559 contrary, whenever the Department of [Economic and] Community 5560 Development or the Office of Policy and Management is authorized by 5561 the general statutes to assess, collect or fund administrative expenses 5562 or service charges or otherwise recover costs or expenses incurred by 5563 the state in carrying out the provisions of any economic or community 5564 development project or program administered by the Department of 5565 [Economic and] Community Development, except in the case of 5566 administrative oversight charges described in section 8-37tt amounts 5567 so assessed, collected or funded by the state may be used to pay any 5568 administrative expenses of the Department of [Economic and] 5569 Community Development and shall not be required to be used to pay 5570 expenses related to a particular project or program.
- 5571 Sec. 93. Subsection (c) of section 4-168a of the general statutes is 5572 repealed and the following is substituted in lieu thereof (*Effective July* 5573 1, 2009):
- (c) Prior to the adoption of any proposed regulation that may have an adverse impact on small businesses, each agency shall notify the Department of [Economic and] Community Development of its intent to adopt the proposed regulation. The Department of [Economic and] Community Development shall advise and assist agencies in complying with the provisions of this section.
- Sec. 94. Section 7-136e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) A municipality which, pursuant to section 7-136d, has authorized the establishment of a foreign trade zone, shall submit a copy of the application for the privilege of operating such foreign trade zone to the regional planning agency for the area of operation within which such municipality is located and the Departments of [Economic and] Community Development, Environmental Protection and Transportation for their comments on the advisability of establishment

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- of such zone. Such comments shall be prepared within ninety days of receipt of the application from the municipality.
- (b) The Departments of [Economic and] Community Development, Environmental Protection and Transportation shall submit their advisory comments to the municipality and to the board established by said federal Foreign-Trade Zones Act.
- Sec. 95. Section 7-136f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5597 Upon compliance with the provisions of sections 7-136d and 7-136e 5598 and after receipt of the advisory comments prepared by the 5599 Departments of Economic and] Community Development, 5600 Environmental Protection and Transportation, a municipality may 5601 apply to the board, established by said federal Foreign-Trade Zones 5602 Act for a grant of the privilege of establishing, operating and 5603 maintaining a foreign trade zone.
- Sec. 96. Subsection (d) of section 7-392 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 5606 1, 2009):
 - (d) The Commissioner of [Economic and] Community Development shall provide for the auditing of the financial statements of each local housing authority at least once biennially. Such audit may be conducted by an independent auditor or by employees of the Department of [Economic and] Community Development, as the commissioner may determine. The commissioner may charge any housing authority for the cost of any such audit of its accounts. Upon completion of any such audit, the commissioner shall file certified copies of the audit report with the chairman and the executive director of the housing authority, with the chief executive officer and the clerk of the municipality in which such housing authority is located and with the Secretary of the Office of Policy and Management.
- Sec. 97. Section 8-37i of the general statutes is repealed and the

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- 5620 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5621 (a) There shall be a Department of [Economic and] Community
- Development. The department head shall be the Commissioner of
- 5623 [Economic and] Community Development, who shall be appointed by
- the Governor in accordance with the provisions of sections 4-5, 4-6, 4-7
- and 4-8, with the powers and duties therein prescribed.
- 5626 (b) Said department shall constitute a successor department to the
- 5627 Department of Commerce in accordance with the provisions of
- 5628 sections 4-38d and 4-39.
- 5629 (c) Said department shall constitute a successor to the functions,
- 5630 powers and duties of the Department of Community Affairs relating to
- 5631 housing as set forth in chapters 128, 129, 130, 131 and 135, in
- accordance with the provisions of sections 4-38d and 4-39.
- Sec. 98. Section 8-37k of the general statutes is repealed and the
- 5634 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5635 (a) Whenever the term "Commissioner of Commerce" occurs or is
- referred to in the general statutes, it shall be deemed to mean or refer
- to the Commissioner of [Economic and] Community Development.
- 5638 (b) Whenever the term "Department of Commerce" occurs or is
- referred to in the general statutes, it shall be deemed to mean or refer
- to the Department of [Economic and] Community Development.
- 5641 (c) Whenever the term "Department of Community Affairs" occurs
- or is referred to in chapter 131, it shall be deemed to mean or refer to
- the Department of [Economic and] Community Development.
- (d) Whenever the term "Commissioner of Community Affairs"
- occurs or is referred to in chapter 131, it shall be deemed to mean or
- 5646 refer to the Commissioner of [Economic and] Community
- 5647 Development.
- Sec. 99. Section 8-370 of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective July 1, 2009*):

The Committee of Concern for Connecticut Jobs is abolished and its functions and duties are transferred to the Department of [Economic and] Community Development pursuant to sections 4-38d and 4-39.

Sec. 100. Section 8-37t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) Not later than January 1, 2000, and every five years thereafter, Ithe Commissioner of Economic and Community Development together with] the Connecticut Housing Finance Authority [,] shall prepare a long-range state housing plan, which shall conform and be subject to the plan of conservation and development for the state adopted by the General Assembly. The plan shall: (1) Contain an assessment of the housing needs of households with incomes less than one hundred per cent of the average area median income, adjusted for family size, analyzed separately for households with incomes (A) less than twenty-five per cent of the area median income, (B) more than twenty-five per cent but not more than fifty per cent of the area median income, (C) more than fifty per cent but not more than eighty per cent of the area median income, and (D) more than eighty per cent but not more than one hundred per cent of the area median income; (2) analyze the households served by the housing construction, substantial rehabilitation, purchase and rental assistance programs, including the number of households served by each program, the total amount of financial assistance provided to such households and the race of households served under such programs; (3) provide information on affirmative fair housing marketing activities and programs and an analysis of occupancy results of affirmative fair housing marketing plans and shall include data on the racial composition of the occupants and persons on the waiting list of each housing project which is assisted under any housing program established by the general statutes or special act or which is supervised by the commissioner or the Connecticut Housing Finance Authority; (4) set specific measurable goals for meeting identified housing needs; (5) outline strategies for

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meeting those goals; and (6) identify state, federal and private sector resources for affordable housing programs. The provisions of this section shall not be construed to require an occupant or applicant to disclose the race of such occupant or applicant on an application or survey form. The long-range plan shall be updated annually by an action plan that assesses the state's progress toward meeting housing needs contained in the long-range plan and recommends revised strategies, if deemed necessary. In preparing the long-range plan and subsequent action plans, the commissioner shall consult with representatives of those who use or benefit from state housing programs.

- (b) The [Department of Economic and Community Development] Connecticut Housing Finance Authority shall submit the long-range housing plan to the General Assembly not later than January 1, 2000, and each action plan not later than January first of each subsequent year, after receiving public review and comment on the long-range plan and each action plan through written remarks and public hearings. The commencement date of each plan shall be the July first following the submission of the plan.
- Sec. 101. Section 8-37x of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) As used in this section, "authority" or "housing authority" means any of the public corporations created by section 8-40 and the Connecticut Housing Authority when exercising the rights, powers, duties or privileges of, or subject to the immunities or limitations of, housing authorities pursuant to section 8-121, and "housing project" means a project developed or administered pursuant to chapter 128.
- (b) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority may: (1) Collect and correlate information regarding housing projects of authorities in the state and upon request to furnish the authorities, in matters of common interest, information, advice and the services of

expert personnel; (2) study state-wide needs for the elimination of substandard housing to stimulate state and city planning involving housing, and otherwise to study housing needs, both rural and urban, and to formulate proposals for meeting these needs; (3) study methods of encouraging investment of private capital in low rent housing; (4) study the necessity, feasibility and advantage of the use of state credit by way of loan or subsidy to assist the financing of housing projects for persons of low income; and (5) accept grants-in-aid of any of said [commissioner's] executive director of the authority's powers made pursuant to the provisions of any state or federal law and, for the purpose of complying with the requirements or recommendations of any such law, to prepare such plans and specifications and to make such studies, surveys, reports or recommendations concerning existing or contemplated housing conditions or projects in the state as may be necessary or appropriate.

- (c) Notwithstanding any other provision of the general statutes, the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority may, after conducting a public bidding process as provided in section 8-44, enter into a master contract or contracts with local, regional or state-wide suppliers of labor, supplies, materials, services or personal property on behalf of one or more housing authorities operating state-financed housing programs or projects. The [commissioner] executive director of the authority may, in said [commissioner's] executive director of the authority's discretion, with respect to partially completed state-financed programs or projects or in the event of emergencies affecting human health, safety, welfare and life or endangering property, waive the bidding requirement and threshold of said section 8-44.
- [(d) The Commissioner of Economic and Community Development may designate as said commissioner's agent any deputy commissioner or any employee to exercise such authority of the commissioner as said commissioner delegates for the administration of any applicable statute or regulation.]

[(e)] (d) As used in this subsection, "troubled loan" means a loan in which payments of interest or principal, or both interest and principal, (1) are delinquent under the terms of a loan agreement, or (2) may become delinquent under conditions which exist which would reasonably lead the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority to believe that a borrower would be unable to repay the loan. Said [commissioner] executive director of the authority may authorize the deferred payments of interest or principal, or both interest and principal, or a portion thereof, in the case of a troubled loan made by the [commissioner] executive director of the authority under any provision of the general statutes or special acts if said [commissioner] executive director of the authority determines the deferral to be in the best interests of the state. Such determination shall be in writing and shall include a statement of the reasons why the deferral is in the best interests of the state. Any deferral made under the provisions of this section shall be subject to the approval of the State Bond Commission.

[(f)] (e) Upon an action by the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority to preserve the state's interest in any contract for financial assistance that results in the state acquiring title to any housing property, the [commissioner] executive director of the authority shall be deemed to be an eligible developer, as defined in section 8-39, for the purposes of operating the property and receiving state or federal financial assistance on behalf of the property or the operation of the property.

[(g)] (f) The [Commissioner of Economic and Community Development in consultation with the] executive director of the Connecticut Housing Finance Authority, upon the lawful dissolution of any eligible developer of property financed with a loan, grant or any combination thereof from the state, may (1) accept ownership of property owned by such a developer in the name of the state and dispose of such property to an eligible developer for a price and upon

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- 5781 terms that the commissioner deems proper, provided such action shall 5782 preserve the property as housing for very low, low or moderate 5783 income persons; or (2) after approval by the Secretary of the Office of 5784 Policy and Management allow such property to participate in any 5785 programs that the commissioner operates, in order to preserve the 5786 property as housing for very low, low or moderate income persons. 5787 For purposes of this subsection, "housing" includes facilities and 5788 amenities incidental and pertinent to the provision of affordable 5789 housing and intended primarily to serve the residents of the affordable 5790 housing development, including, but not limited to, a community 5791 room, a laundry room, day care space, a computer center, a 5792 management center or playground.
- 5793 [(h)] (g) Notwithstanding the provisions of subsection [(g)] (f) of this 5794 [Commissioner of Economic and Community 5795 Development] executive director of the Connecticut Housing Finance 5796 Authority shall allow the continued use of: (1) The Saint Joseph's 5797 Residence for Mothers and Children, located in Bridgeport, which is 5798 utilized as a day care center; (2) the House of Bread, located in 5799 Hartford, which is utilized as a community day care center and 5800 corporate offices; and (3) the Rainbow Court Cooperative, located in 5801 Middletown, which is utilized as rental units for lower income 5802 persons.
 - [(i)] (h) The [Commissioner of Economic and Community Development may adopt regulations, in accordance with the provisions of chapter 54] executive director of the Connecticut Housing Finance Authority may adopt written procedures, in accordance with section 1-121, to carry out the purposes of the [Department of Economic and Community Development] Connecticut Housing Finance Authority as established by statute.
- Sec. 102. Section 8-37y of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) The [Commissioner of Economic and Community Development]

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executive director of the Connecticut Housing Finance Authority may, with the approval of the Commissioner of Public Works, the Secretary of the Office of Policy and Management and the State Properties Review Board, sell, exchange, lease or enter into agreements concerning any real property, as defined in section 8-39, belonging to the state and transferred to the custody and control of the [Department of Economic and Community Development] Connecticut Housing Finance Authority under the provisions of subsection (b) of section 4b-21. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to this section, that such real property be used only for an emergency shelter or transitional living facility for homeless persons or for the provision of low and moderate income housing, including, but not limited to, the construction, rehabilitation or renovation of housing for persons and families of low and moderate income, except that such condition, in the discretion of the commissioner, may be subordinated in the case of a subsequent first mortgage or a requirement of a governmental program relating to such real property, and except that in the case of an exchange of real property, the commissioner (1) shall require that the parcel received by the commissioner, as a condition of such exchange, shall be suitable for an emergency shelter or transitional living facility for homeless persons or for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income, and (2) shall release any restrictions required to be imposed by this subsection on the parcel transferred by the commissioner. Prior to any such sale, exchange, lease or agreement, the commissioner shall notify the chief executive officer or officers of the municipality or municipalities in which such real property is located. No such real property may be sold, exchanged or leased by the commissioner under this subsection without the approval of the municipality or municipalities in which the real property is located.

(b) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority, with the approval of the Commissioner of Public Works, the Secretary of the

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Office of Policy and Management and the State Properties Review Board, may: (1) Enter into a contract to purchase, lease or hold any surplus real property made available by the federal government, including excess real property acquired by the federal government for highway construction, if the commissioner determines that such real property can be utilized for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income and (2) sell, exchange, lease or enter into agreements concerning any real property acquired by the commissioner under subdivision (1) of this subsection. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to subdivision (2) of this subsection, that such real property be used only for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income. Prior to any such sale, exchange, lease or agreement, the commissioner shall notify the chief executive officer or officers of the municipality or municipalities in which such real property is located. No such real property may be sold, exchanged or leased by the commissioner under subdivision (2) of this subsection without the approval of the municipality or municipalities in which the real property is located.

- (c) The use of any real property under this section shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the real property is located.
- 5871 (d) As used in this section, "exchange" means the mutual transfer of interests in real property, simultaneously and each in consideration of the other.
- Sec. 103. Section 8-37aa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- As used in sections 8-37bb to 8-37dd, inclusive, "housing agency" means the [Department of Economic and Community Development,] the Connecticut Housing Finance Authority and the Connecticut

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5879 Housing Authority, and "income group" means one of the following 5880 household groups, adjusted for family size and based on the 5881 appropriate area median income established by the United States 5882 Department of Housing and Urban Development: (1) Households with 5883 incomes twenty-five per cent or less than the area median income; (2) 5884 households with incomes more than twenty-five per cent but not more 5885 than fifty per cent of the area median income; (3) households with 5886 incomes more than fifty per cent but not more than eighty per cent of 5887 the area median income; (4) households with incomes more than 5888 eighty per cent but not more than one hundred per cent of the area 5889 median income; and (5) households with incomes more than one 5890 hundred per cent of the area median income.

Sec. 104. Section 8-37bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) On or before December 31, 1991, and annually thereafter, each housing agency [, except the Department of Economic and Community Development, shall submit to the General Assembly a report, for the year ending the preceding September thirtieth, which analyzes by income group, households served by its housing construction, substantial rehabilitation, purchase and rental assistance programs. Each report submitted after December 31, 1991, shall analyze the households served under each program by race. The analysis shall provide information by housing development, if applicable, and by program. Each analysis shall include data for all households (1) entering an agency program during the year ending the preceding September thirtieth, and (2) in occupancy or receiving the benefits of an agency rental program the preceding September thirtieth. The report of the Connecticut Housing Finance Authority shall also identify, by census tract, the number of households served in each program and the total amount of financial assistance provided to such households. The provisions of this section shall not be construed to preclude a housing agency from reporting additional information on programs it administers. Each report submitted under this section shall also analyze the efforts, and the results of such efforts, of each agency

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- 5913 in promoting fair housing choice and racial and economic integration.
 5914 The provisions of this section shall not be construed to require an
 5915 occupant or applicant to disclose his race on an application or survey
 5916 form.
- (b) Each report submitted under this section shall also document the efforts of the agency in promoting fair housing choice and racial and economic integration and shall include data on the racial composition of the occupants and persons on the waiting list of each housing project which is assisted under any housing program established by the general statutes or special act or which is supervised by the agency. The provisions of this subsection shall not be construed to require disclosure of such information by any occupant or person on a waiting list.
 - (c) On and after October 1, 1996, the report shall be submitted to the joint standing committee of the General Assembly having cognizance of matters relating to housing and, upon request, to any member of the General Assembly. A summary of the report shall be submitted to each member of the General Assembly if the summary is two pages or less and a notification of the report shall be submitted to each member if the summary is more than two pages. Submission shall be by mailing the report, summary or notification to the legislative address of each member of the committee or the General Assembly, as applicable.
 - Sec. 105. Section 8-37ff of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - Not later than July 1, 2006, the [Department of Economic and Community Development] <u>Connecticut Housing Finance Authority</u> shall develop and maintain a comprehensive inventory of all assisted housing, as defined in section 8-30g, in the state. The inventory shall identify all existing assisted rental units by type and funding source, and include, but not be limited to, information on tenant eligibility, rents charged, available subsidies, occupancy and vacancy rates, waiting lists and accessibility features. In order to assist the

- [department] <u>authority</u> in the completion of the inventory, all owners
- of such housing units, both public and private, shall report accessible
- 5947 housing units to the database established and maintained under
- 5948 section 8-119x.
- Sec. 106. Section 8-37jj of the general statutes is repealed and the
- 5950 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5951 (a) The [Department of Economic and Community Development]
- 5952 <u>Connecticut Housing Finance Authority</u> may not approve electric
- 5953 resistance as the primary heat source in new, subsidized housing
- 5954 except where justified by a life-cycle cost analysis whose methodology
- 5955 has been approved by the division of the Office of Policy and
- 5956 Management responsible for energy matters.
- 5957 (b) If the [Department of Economic and Community Development
- 5958 or the Connecticut Housing Finance Authority uses electric resistance
- space heating as the primary heating source in any new construction, it
- shall construct the unit in such a way as to be eligible for any available
- 5961 energy conservation incentives provided by the electric company, as
- 5962 defined in section 16-1, or the municipal utility furnishing electric
- 5963 service to such unit.
- Sec. 107. Section 8-37kk of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5966 The [Department of Economic and Community Development and
- 5967 the Connecticut Housing Finance Authority shall give preference to
- loans for energy efficient projects in all grant and loan programs.
- 5969 Sec. 108. Section 8-37pp of the general statutes is repealed and the
- 5970 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 5971 (a) For purposes of this section:
- 5972 (1) "Affordable housing" means affordable housing, as defined in
- 5973 section 8-39a;

- 5974 (2) ["Commissioner"] <u>"Executive director of the authority"</u> means the 5975 [Commissioner of Economic and Community Development] <u>executive</u> 5976 <u>director of the Connecticut Housing Finance Authority</u>;
- 5977 (3) ["Department"] <u>"Authority"</u> means the [Department of Economic 5978 and Community Development] <u>Connecticut Housing Finance</u> 5979 <u>Authority</u>;
- 5980 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a 5981 municipality; (C) a housing authority; (D) a business corporation 5982 incorporated pursuant to chapter 601 or any predecessor statutes 5983 thereto or authorized to do business pursuant to said chapter 601 5984 having as one of its purposes the construction, financing, acquisition, 5985 rehabilitation or operation of affordable housing, and having a 5986 certificate or articles of incorporation approved by the [commissioner] 5987 executive director of the authority; (E) any partnership, limited 5988 partnership, liability company, ioint limited venture, 5989 proprietorship, trust or association having as one of its purposes the 5990 construction, financing, acquisition, rehabilitation or operation of affordable housing, and having basic documents of organization 5991 5992 approved by the commissioner; or (F) any combination thereof;
 - (5) "Eligible costs" means costs relating to the planning, implementation and completion of an eligible project; and
 - (6) "Eligible project" means a project designed for the purpose of providing affordable housing, and shall include, but not be limited to, (A) acquisition, construction, rehabilitation, repair and maintenance of residential or mixed use structures, (B) acquisition, construction, rehabilitation, repair and maintenance of related infrastructure, facilities and amenities incidental and pertinent to the provision of affordable housing and intended primarily to serve the residents of the affordable housing project, that may include, but not be limited to, a community room, laundry, day care space, computer center, management office or playground, or (C) demolition, renovation or redevelopment of vacant buildings or related infrastructure.

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- (b) The state, acting by and in the discretion of the [commissioner] executive director of the authority, may enter into a contract for state financial assistance for any eligible project in the form determined by the commissioner, including, but not limited to, a grant, loan, loan guarantee, deferred loan or any combination thereof.
- (c) An application for financial assistance shall be in the form and manner prescribed by the [commissioner] executive director of the authority. In determining whether and to what extent to fund an application received from eligible applicants, the [commissioner] executive director of the authority may consider relevant factors including, but not limited to, the following: (A) The ability of the project to affirmatively further racial and economic integration, including expanding multifamily rental housing opportunities in suburban and rural communities; (B) the ability of the project to meet the housing needs of the lowest income populations; (C) the ability of the project to revitalize urban neighborhoods, including expanding homeownership and increasing multifamily rehabilitation in the central cities; (D) the ability of the project to provide a full range of supportive housing options for people with special needs or who are at risk of becoming homeless; (E) impact of the project on the local neighborhood, region and the state; (F) short-term and long-term benefits of the project; (G) impact on affordable housing needs of the neighborhood, community, municipality and region; (H) project feasibility; (I) potential for leveraging other public and private investments; (J) applicant's ability to implement the project in a timely manner; (K) the relative need for the project; (L) the applicant's financial commitment to the project, except in the case of a nonprofit entity or a housing authority created pursuant to section 8-40; and (M) the extent to which the project will advance the public purposes set forth in this subdivision.
- (d) The [commissioner] <u>executive director of the authority</u> shall review and approve the site and the estimated total development budget, including the nature and amount of financial assistance to be provided from all sources and by the state. The [commissioner]

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executive director of the authority may review and approve any additional factors determined to be necessary or appropriate to protect the state's interests. Upon determination by the [commissioner] executive director of the authority that the eligible costs are necessary and reasonable, and, in the case of financial assistance provided from the proceeds of the state's bonds upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-20 or, in the case of financial assistance provided from a funding source other than the state's bonds upon the approval by the Governor of an allotment for such purpose, the state, acting by and through the [commissioner] executive director of the authority, may provide the financial assistance for such eligible costs.

- (e) Financial assistance provided shall be upon terms and conditions not inconsistent with the provisions of this section which the [commissioner] executive director of the authority shall establish as prudent and necessary to protect the state's interests. Such terms and conditions may include, separately or in combination, without limitation: (1) The requirements of funds from other sources, including, without limitation, financing obtained from quasi-public agencies, as defined in section 1-120, federal and local government agencies and private for-profit and not-for-profit institutions; (2) participation interests; (3) subsidy recapture provisions; and (4) resale and prepayment, job retention, residency, use and affordability restrictions. Such terms and conditions and compliance with such terms and conditions may be documented and secured as the [commissioner] executive director of the authority shall determine.
- (f) (1) The [commissioner] executive director of the authority may take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interests of the state, including, but not limited to, amending any term or condition of a contract or agreement, provided such amendment is allowed or agreed to pursuant to such contract or agreement, or purchasing or redeeming, pursuant to foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings, any property on which

- [such commissioner] said executive director of the authority or the department] authority holds a mortgage or other lien, or in which [such commissioner] said executive director of the authority or the department] authority has an interest.
- 6078 (2) The [commissioner] executive director of the authority may 6079 request, inspect and audit reports, books and records and any other 6080 financial or project-related information with respect to eligible 6081 applicants that receive financial assistance, including, without 6082 limitation, resident or employment information, financial and 6083 operating statements and audits. The [commissioner] executive 6084 director of the authority may investigate the accuracy and 6085 completeness of such reports, books and records.
- (3) Notwithstanding any provision of the general statutes, the [commissioner is authorized] executive director of the authority may, for purposes of the program established under this section, [to] assess and collect application fees of no more than two hundred fifty dollars to recover all or part of the costs or expenses incurred by the state in reviewing applications for financial assistance.
- 6092 (g) The [commissioner] <u>executive director of the authority</u> may 6093 adopt such [regulations] <u>written procedures</u>, in accordance with 6094 [chapter 54] <u>section 1-121</u>, as are necessary for the implementation of 6095 this section.
- Sec. 109. Section 8-37qq of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) For the purposes of this section and sections 8-44a, 8-70, 8-78, 8-80, 8-114a, 8-117b, 8-119a, 8-119b, 8-119h, 8-119i, 8-119ee, 8-119hh, 8-119ii, 8-119jj, 8-169w, 8-214g, 8-216b, 8-218b, 8-219b, 8-387, 8-405, 8-410, 8-415, 8-420, 16a-40b and 16a-40j, the following terms shall have the following meanings:
- 6103 (1) "Bond-financed state housing program" means any program 6104 administered by the [Commissioner of Economic and Community

6105 Development which Connecticut Housing Finance Authority that 6106 provides financial assistance for housing acquisition, development, 6107 rehabilitation or support services, and which may be financed in whole 6108 or in part from the proceeds of the state's general obligation bonds, 6109 including: Acquisition of surplus land pursuant to section 8-37y, 6110 affordable housing projects pursuant to section 8-37pp, housing 6111 authority programs for social and supplementary services, project 6112 rehabilitation and improvement and energy conservation pursuant to 6113 section 8-44a, moderate rental housing pursuant to section 8-70, 6114 moderate cost housing pursuant to section 8-82, housing for elderly 6115 persons pursuant to section 8-114a, congregate housing for the elderly 6116 pursuant to section 8-119h, housing for low-income persons pursuant 6117 to section 8-119dd, financial assistance for redevelopment or urban 6118 renewal projects pursuant to section 8-154a, housing and community 6119 development pursuant to sections 8-169l and 8-216b, urban 6120 homesteading pursuant to subsection (a) of section 8-169w, 6121 community housing land bank and land trust program pursuant to 6122 section 8-214d, financial assistance for development of limited equity 6123 cooperatives and mutual housing pursuant to section 8-214f, 6124 community housing development corporations pursuant to sections 8-6125 218 and 8-218a, financial assistance to elderly homeowners for 6126 emergency repairs or rehabilitation pursuant to section 8-219b, 6127 financial assistance for removal of lead-based paint and asbestos 6128 pursuant to section 8-219e, home ownership loans pursuant to 6129 subsection (a) of section 8-286, housing programs for homeless persons 6130 pursuant to sections 8-356 and 8-357, grants to municipalities for 6131 financing low and moderate income rental housing pursuant to section 6132 8-365, housing infrastructure grants and loans pursuant to section 8-6133 387, private rental investment mortgage and equity program pursuant 6134 to sections 8-401 and 8-403, assistance for housing predevelopment 6135 costs pursuant to sections 8-410 and 8-411, residential subsurface 6136 sewage disposal system repair program pursuant to sections 8-415 and 6137 8-420, energy conservation loans pursuant to section 16a-40b, rent 6138 receivership pursuant to section 47a-56j, and any other such program 6139 now, heretofore or hereafter existing, and any additions or amendments to such programs.

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(2) "Administrative expense" means any administrative or other cost or expense incurred by the state in carrying out the provisions of any of the following bond-financed state housing programs, including the hiring of necessary employees and the entering of necessary contracts: Housing authority programs for social and supplementary services, project rehabilitation and improvement, and energy conservation pursuant to section 8-44a, moderate rental housing pursuant to section 8-70, moderate cost housing pursuant to section 8-82, housing for elderly persons pursuant to section 8-114a, congregate housing for the elderly pursuant to section 8-119h, housing for low-income persons pursuant to section 8-119dd, urban homesteading pursuant to subsection (a) of section 8-169w, financial assistance for development of limited equity cooperatives and mutual housing pursuant to section 8-214f, financial assistance to elderly homeowners for emergency repairs or rehabilitation pursuant to section 8-219b, home ownership loans pursuant to subsection (a) of section 8-286, housing programs for homeless persons pursuant to sections 8-356 and 8-357, private rental investment mortgage and equity program pursuant to sections 8-401 and 8-403, assistance for housing predevelopment costs pursuant to sections 8-410 and 8-411, residential subsurface sewage disposal system repair pursuant to section 8-415 and section 8-420, and energy conservation loans pursuant to section 16a-40b.

(3) "State service fee" means any fee or charge assessed or collected by the state for the purpose of paying for any administrative expense, pursuant to subsections (f) and (g) of section 8-44a with respect to housing authority programs for social and supplementary services, project rehabilitation and improvement, and energy conservation, subsection (c) of section 8-70 and section 8-72 with respect to moderate rental housing, subsection (b) of section 8-114a and subsection (a) of section 8-115a with respect to housing for elderly persons, section 8-119h and subsection (a) of section 8-115a with respect to congregate housing for the elderly, section 8-119jj and section 8-72 with respect to housing for low-income persons, subsection (c) of section 8-218b with

- 6174 respect to community housing development corporations, subsection
- 6175 (b) of section 8-219b with respect to financial assistance to elderly
- 6176 homeowners for emergency repairs and rehabilitation, and subsection
- 6177 (a) of section 8-405 with respect to the private rental mortgage and
- 6178 equity program.
- (b) Notwithstanding any provision of the general statutes or any public or special act to the contrary, any administrative expense may be paid from the proceeds from the sale of the state's general obligation bonds for the bond-financed state housing program for which the administrative expense is incurred, to the extent approved by the State Bond Commission and allotted by the Governor for such purpose.
- (c) Notwithstanding any provision of the general statutes or any public or special act to the contrary, no service fee shall be assessed or collected out of financial assistance financed with the proceeds of the state's general obligation bonds initially authorized, allocated or approved by the State Bond Commission on or after July 1, 1990.
- (d) (1) There is established a fund to be known as the "Housing Assistance Bond Fund". The fund shall contain any moneys required by law to be deposited in the fund.
- 6194 (2) (A) The proceeds from the sale of bonds and any bond 6195 anticipation notes issued for any bond-financed state housing program 6196 shall be deposited in the Housing Assistance Bond Fund, except for: (i) 6197 The proceeds of bonds and bond anticipation notes initially 6198 authorized, allocated or approved by the State Bond Commission for 6199 the purpose of any bond-financed state housing program prior to July 6200 1, 1990, and any reuse thereof approved by the commission; and (ii) 6201 any refunding bonds and bonds issued to refund bond anticipation 6202 notes.
- 6203 (B) Notwithstanding any provision of the general statutes or any 6204 public or special act to the contrary, on or after July 1, 1990, the State 6205 Bond Commission shall not authorize, allocate or approve the issuance

- of bonds not previously authorized, allocated or approved by the commission for the purpose of any bond-financed state housing program pursuant to any general statute or public or special act enacted prior to 1990, except pursuant to sections 4-66c and 47a-56k or special act 87-77 or 89-52 as either may be amended from time to time. Nothing in this section shall impair the power of the commission to authorize the reuse of the proceeds of bonds authorized, allocated or approved by the commission prior to July 1, 1990.
 - (C) The proceeds of bonds and bond anticipation notes deposited in the Housing Assistance Bond Fund shall be applied to pay the costs of financial assistance and administrative expense for bond-financed state housing programs as authorized by the State Bond Commission in accordance with section 3-20 and the act or acts pursuant to which such bonds and bond anticipation notes were issued.
 - (e) (1) There is established a fund to be known as the "Housing Repayment and Revolving Loan Fund". The fund shall contain any moneys required by law to be deposited in the fund and shall be held separate and apart from all other money, funds and accounts. Investment earnings credited to the fund shall become part of the assets of the fund. Any required rebates to the federal government of such investment earnings shall be paid from the fund. Any balance remaining in said fund at the end of any fiscal year shall be carried forward in the fund for the next fiscal year.
 - (2) (A) Notwithstanding any provision of the general statutes or any public or special act to the contrary, except sections 8-76 and 8-80, the following shall be paid to the State Treasurer for deposit in the Housing Repayment and Revolving Loan Fund: (i) All payments to the state of principal or interest on loans that the ultimate recipient is obligated to repay to the state, with or without interest, made pursuant to section 8-114a with respect to loans for housing for elderly persons, section 8-119h with respect to loans for congregate housing for the elderly, subsection (a) of section 8-169w with respect to urban homesteading loans, sections 8-218 and 8-218a with respect to

community housing development corporation loans, section 8-337 with respect to security deposit revolving loans, section 8-410 with respect to housing predevelopment cost loans, section 8-415 and section 8-420 with respect to subsurface sewage disposal system repair loans, and section 8-37pp with respect to loans for affordable housing; (ii) all payments of principal with respect to energy conservation loans pursuant to section 16a-40b; (iii) all payments made to the state constituting the liquidation of an equity interest pursuant to section 8-404 with respect to the private rental investment mortgage and equity program; (iv) all payments made to the state constituting the liquidation of any other security interest or lien taken or granted pursuant to a bond-financed state housing program or assistance or related agreement, except liquidations constituting principal or interest on loans not mentioned in subparagraph (A)(i) or (A)(ii) of this subdivision and the liquidation of security interests or liens with respect to rent receivership pursuant to subsection (c) of section 47a-56i; (v) all other return or recapture of state financial assistance made pursuant to the provisions of any bond-financed state housing program or assistance or related agreement, except principal or interest on loans not mentioned in subparagraph (A)(i) or (A)(ii) of this subdivision and payments received with respect to rent receivership pursuant to subsection (c) of section 47a-56i; (vi) all payments of state service fees and administrative oversight charges rendered in accordance with the provisions of any bond-financed state housing program other than state service fees financed from the proceeds of the state's general obligation bonds; and (vii) all other compensation or reimbursement paid to the [Department of Economic and Community Development Connecticut Housing Finance Authority with respect to bond-financed state housing programs other than from the federal government.

(B) Notwithstanding any provision of the general statutes or any public or special act to the contrary, except as provided in this subsection, loans for any bond-financed state housing program which the ultimate recipient is obligated to repay to the state, with or without

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- interest, may be paid out of moneys deposited in the Housing Repayment and Revolving Loan Fund without the prior approval of the State Bond Commission, subject to the approval of the Governor of an allotment. All payments on energy conservation loans pursuant to said section 16a-40b shall be accounted for separately from other moneys in the Housing Repayment and Revolving Loan Fund, and shall be used to make further loans pursuant to said section 16a-40b and to pay any administrative expense attributable to such loans.
 - (C) Notwithstanding any provision of the general statutes or any public or special act, payment of any administrative expense may be made out of the Housing Repayment and Revolving Loan Fund subject to the approval of the Governor of an allotment for such purpose.
- Sec. 110. Section 8-37tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) As used in this section, "administrative oversight charge" means any fee payable to the [Department of Economic and Community Development] Connecticut Housing Finance Authority from sources other than (1) the proceeds from the sale of the state's general obligation bonds, or (2) the housing repayment and revolving loan program established pursuant to subsection (e) of section 8-37qq, that is imposed to pay all or a portion of the costs and expenses of the [Department of Economic and Community Development] Connecticut Housing Finance Authority in monitoring facilities developed with financial assistance pursuant to any bond-financed state housing program as defined in subsection (a) of section 8-37qq, and ensuring compliance with requirements and restrictions applicable to such facilities.
 - (b) Notwithstanding the provisions of this section or any regulations adopted thereunder, the amount of the administrative oversight charge per unit shall be as follows: (1) For the period from July 1, 1997, to June 30, 1998, not more than twelve dollars, and (2) on and after July

- 6305 1, 1998, not more than five dollars.
- Sec. 111. Section 8-37uu of the general statutes is repealed and the
- 6307 following is substituted in lieu thereof (*Effective July 1, 2009*):
- Notwithstanding any provision of the general statutes, the
- 6309 [Department of Economic and Community Development, ir
- 6310 consultation with the Connecticut Housing Finance Authority, in
- 6311 consultation with the Department of Community Development, the
- 6312 Office of Policy and Management and the State Treasurer, shall
- 6313 arrange for the transfer of the housing loan portfolio of said
- department or any portion thereof, to said authority.
- 6315 Sec. 112. Section 8-37xx of the general statutes is repealed and the
- 6316 following is substituted in lieu thereof (*Effective July 1, 2009*):
- As used in sections 8-37yy to 8-37aaa, inclusive:
- (1) "Eligible housing" means the housing that is in the housing loan
- 6319 portfolio that was transferred from the Department of [Economic and]
- 6320 Community Development to the Connecticut Housing Finance
- 6321 Authority pursuant to section 8-37uu;
- 6322 (2) "Financial assistance" means grants, loans, deferred loans, no
- 6323 interest and low interest loans, loan guarantees, interest subsidies and
- 6324 similar financings; and
- 6325 (3) "Fund" means the State-Assisted Housing Sustainability Fund
- established pursuant to section 8-37yy.
- 6327 Sec. 113. Section 8-37yy of the general statutes is repealed and the
- 6328 following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) The [Department of Economic and Community Development]
- 6330 Connecticut Housing Finance Authority shall, in consultation with the
- 6331 State-Assisted Housing Sustainability Advisory Committee,
- 6332 established pursuant to section 8-37zz, establish and maintain the
- 6333 State-Assisted Housing Sustainability Fund for the purpose of the

preservation of eligible housing. The moneys of the fund shall be available to the [department] authority to provide financial assistance to the owners of eligible housing for the maintenance, repair, rehabilitation, and modernization of eligible housing and for other activities consistent with preservation of eligible housing, including, but not limited to, (1) emergency repairs to abate actual or imminent emergency conditions that would result in the loss of habitable housing units, (2) major system repairs or upgrades, including, but not limited to, repairs or upgrades to roofs, windows, mechanical systems and security, (3) reduction of vacant units, (4) remediation or abatement of hazardous materials, including lead, (5) increases in development mobility and sensory impaired accessibility in units, common areas and accessible routes, (6) relocation costs and alternative housing for not more than sixty days, necessary because of the failure of a major building system, and (7) a comprehensive physical needs assessment. Financial assistance shall be awarded to applicants consistent with standards and criteria adopted in consultation with the recommendations of the State-Assisted Housing Sustainability Advisory Committee.

(b) [In each of the fiscal years ending June 30, 2008, and June 30, 2009, the department may expend not more than seven hundred fifty thousand dollars from the fund for reasonable administrative costs related to the operation of the fund, including the expenses of the State-Assisted Housing Sustainability Advisory Committee, the development of analytic tools and research concerning the capital and operating needs of eligible housing for the purpose of advising the General Assembly on policy regarding eligible housing and the study required by section 107 of public act 07-4 of the June special session*.] Thereafter, the [department] authority for the fiscal year ending June 30, 2010, shall prepare an administrative budget which shall be effective upon the approval of said committee.

(c) [(1)] The [department] <u>authority</u> shall adopt [regulations, in accordance with chapter 54] <u>written procedures, in accordance with section 1-121</u>, to implement the provisions of this section and sections

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8-37xx, 8-37zz and 8-37aaa. Such [regulations] written procedures shall establish (A) guidelines for grants and loans, and (B) a process for certifying an emergency condition in not more than forty-eight hours and for committing emergency funds, including costs of resident relocation, if necessary, not more than five business days after application by the owner of eligible housing for emergency repair financial assistance. The guidelines under subparagraph (A) of this subdivision shall provide for deferred payment of principal and interest upon approval of the committee.

- [(2) The department shall adopt written policies and procedures to implement such provisions while in the process of adopting such policies and procedures in regulation form, and the commissioner shall print a notice of intention to adopt the regulations in the Connecticut Law Journal not later than twenty days prior to implementing such policies and procedures. The department shall submit final regulations to implement said sections to the legislative regulation review committee not later than October 1, 2009. Policies and procedures implemented pursuant to this subdivision shall be valid until the time final regulations are effective.]
- (d) In reviewing applications and providing financial assistance under this section, the [department] <u>authority</u>, in consultation with the State-Assisted Housing Sustainability Advisory Committee, shall consider the long term viability of the eligible housing and the likelihood that financial assistance will assure such long term viability. As used in this section, "viability" includes, but is not limited to, continuous habitability and adequate operating cash flow to maintain the existing physical plant and any capital improvements and to provide basic services required under the lease and otherwise required by local codes and ordinances.
- (e) On or before February 1, 2009, and annually thereafter, the [department] <u>authority</u>, in consultation with the State-Assisted Housing Sustainability Advisory Committee, shall submit a report on the operation of the fund, for the previous calendar year, to the

- General Assembly, in accordance with section 11-4a. The report shall include an analysis of the distribution of funds and an evaluation of the performance of said fund and may include recommendations for modification to the program.
- Sec. 114. Section 8-37aaa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 6407 (a) The [Department of Economic and Community Development] 6408 Connecticut Housing Finance Authority shall design and administer a 6409 program of grants to owners of eligible housing to pay the cost of a 6410 comprehensive physical needs assessment for each eligible housing 6411 development. The final design of this program shall be subject to 6412 review by the State-Assisted Housing Sustainability Advisory 6413 Committee established pursuant to section 8-37zz. Such assessment 6414 may be a twenty-year life cycle analysis covering all physical elements, 6415 adjusted for observed conditions, and shall include, at a minimum, an 6416 evaluation of (1) dwelling units; building interiors and building 6417 envelopes; community buildings and amenities; site circulation and parking; site amenities such as lots; mechanical systems, including an 6418 6419 analysis of technological options to reduce energy consumption and pay-back periods on new systems that produce heat and domestic hot 6420 6421 water; and site conditions, (2) compliance with physical accessibility 6422 guidelines under Title II of the federal Americans with Disabilities Act, 6423 and (3) hazardous materials abatement, including lead paint 6424 abatement. The costs of such needs assessments shall be paid from the 6425 fund.
 - (b) A copy of each completed comprehensive physical needs assessment shall be submitted to the [Department of Economic and Community Development] Connecticut Housing Finance Authority in a format prescribed by the [department] authority. The format shall be designed by the [department] authority so that a baseline of existing and standardized conditions of eligible housing can be prepared and annually updated to reflect changes in the consumer price index and annual construction costs.

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Sec. 115. Section 8-37*lll* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

- (a) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall review applications for affordable housing tax credits submitted pursuant to subsection (e) of section 10-416b. Upon determination that an application contains affordable housing as required by said section the [commissioner] executive director of the authority shall issue a certificate to that effect. The [commissioner] executive director of the authority shall monitor projects certified under this section to ensure that the affordable housing units are maintained as affordable for a minimum of ten years and may require deed restrictions or other fiscal mechanisms designed to ensure compliance with project requirements. The [commissioner] executive director of the authority may impose a fee in an amount not exceeding two thousand dollars to cover the cost of reviewing applications and monitoring projects that qualify for affordable housing tax credits pursuant to subsections (a) to (i), inclusive, of section 10-416b.
- (b) The [Commissioner of Economic and Community Development, in consultation with the Commission on Culture and Tourism, executive director of the Connecticut Housing Finance Authority may adopt [regulations, pursuant to chapter 54] written procedures, in accordance with section 1-121, for monitoring of projects that qualify for affordable housing tax credits pursuant to subsections (a) to (i), inclusive, of section 10-416b by the [Department of Economic and Community Development Connecticut Housing Finance Authority, or by local housing authorities, municipalities, other public agencies or quasi-public agencies, as defined in section 1-120, designated by the [department] <u>authority</u>. Such [regulations] <u>written procedures</u> shall include provisions for ensuring that affordable units developed under subdivision [(3)] (2) of subsection (e) of section 10-416b are maintained as affordable for a minimum of ten years and may require deed restrictions or other fiscal mechanisms designed to ensure compliance with project requirements.

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- Sec. 116. Section 8-68j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 6470 (a) As used in this section:
- (1) ["Commissioner"] <u>"Executive director of the authority"</u> means the [Commissioner of Economic and Community Development] <u>executive</u> director of the Connecticut Housing Finance Authority;
- 6474 (2) "Connecticut Housing Finance Authority" means the authority created and operating pursuant to the provisions of chapter 134;
- 6476 (3) "Financially distressed development" means a housing 6477 development owned by a housing authority and subject to an asset 6478 that was transferred from the Department of Economic and 6479 Community Development to the Connecticut Housing Finance 6480 Authority pursuant to section 8-37u or subdivision (3) of section 32-11; 6481 and
- 6482 (4) "Housing authority" means a local housing authority owning a 6483 financially distressed development.
 - (b) Notwithstanding any provision of the general statutes, a housing authority may, with the approval of the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority, quit claim or otherwise transfer its interest in a financially distressed development to the Connecticut Housing Finance Authority. The [commissioner] executive director of the authority may grant such approval upon an express finding that: (1) The housing authority is financially unable to maintain the development; (2) there is no reasonable prospect that the housing authority will be able to maintain the property in the future; (3) the housing authority has requested to transfer the development; and (4) the Connecticut Housing Finance Authority is prepared to accept the transfer.
- Sec. 117. Section 8-78 of the general statutes is repealed and the

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6498 following is substituted in lieu thereof (*Effective July 1, 2009*):

6499 The aggregate amount of all bonds and notes issued by the state 6500 pursuant to subsection (a) of section 8-80 to meet its obligations under 6501 assistance agreements for moderate rental housing projects entered 6502 into by it shall not exceed the sum of (1) one hundred sixty-nine 6503 million one hundred thirty-two thousand four hundred thirty-five 6504 dollars, exclusive of any notes or bonds, the avails of which shall be 6505 used for the purpose of refunding outstanding notes or bonds issued 6506 for said purposes, and (2) twenty-eight million dollars, provided the 6507 proceeds of such bonds and notes issued pursuant to the authorization 6508 in subdivision (2) of this section shall be made available for use only 6509 with respect to moderate rental housing projects. In considering 6510 housing projects for use of the bond proceeds, the [Department of 6511 Economic and Community Development Connecticut Housing 6512 Finance Authority shall attempt to capture all federal Section 8 6513 subsidies, for family, elderly, and congregate housing units available 6514 to the [Department of Economic and Community Development] Connecticut Housing Finance Authority, Connecticut Housing Finance 6515 6516 Authority or from other sources; encourage the construction or 6517 rehabilitation of multifamily rental projects which meet the Mortgage 6518 and Revenue Bond Tax Act of 1980 criteria for moderate income; and 6519 utilize any other federal subsidy programs for low and moderate 6520 income housing which may become available now or in the future, 6521 provided the state bonds can be adequately secured and the intent of 6522 this section can be assured. The [Department of Economic and 6523 Community Development Connecticut Housing Finance Authority 6524 may also enter into joint loan participations with other financing 6525 sources in order to maximize the number of housing units produced 6526 for the amount allocated.

- Sec. 118. Section 8-119*ll* of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1*, 2009):
- Annually, the [Department of Economic and Community Development in consultation with the] Connecticut Housing Finance

- 6531 Authority shall conduct a comprehensive assessment of current and
- 6532 future needs for rental assistance under section 8-119kk for housing
- 6533 projects for the state's elderly and disabled. Not later than April 1,
- 6534 2006, the results of the first such analysis shall be presented to the
- 6535 select committee of the General Assembly having cognizance of
- 6536 matters relating to housing, in accordance with section 11-4a. Any
- analyses submitted after April 1, 2006, shall be incorporated into the
- 6538 report required pursuant to section 32-1m.
- Sec. 119. Section 8-163 of the general statutes is repealed and the
- 6540 following is substituted in lieu thereof (*Effective July 1, 2009*):
- As used in this part:
- (a) "Redevelopment area" means those areas of this state designated
- as redevelopment areas by the Secretary of Commerce acting pursuant
- 6544 to Public Law 136 of the 89th Congress of the United States;
- (b) "Municipality" means any town, city or borough of this state;
- 6546 (c) The "Public Works and Economic Development Act" means
- Public Law 136 of the 89th Congress of the United States, as amended;
- (d) "Small Business Investment Act" means Public Law 699 of the
- 6549 85th Congress of the United States, as amended;
- (e) "Overall economic development program" means the overall
- 6551 program for the economic development of an area designated as a
- "redevelopment area" in accordance with the provisions of the Public
- 6553 Works and Economic Development Act and all administrative
- 6554 regulations and determinations promulgated thereto;
- (f) "Regional planning agency" means the regional planning agency
- 6556 created under chapter 127;
- (g) "Municipal economic development commissions" and "regional
- 6558 economic development commissions" means those commissions
- established under sections 7-136 and 7-137;

- (h) "Small business" means a concern which is independently owned and operated and which is not dominant in its field of operations, as provided in the Small Business Investment Act;
 - (i) "State and local development companies" means those enterprises operated under state or local law with the authority to promote and assist the growth and development of business concerns in the areas covered by their operations, as defined in Sections 501 and 502 of the Small Business Investment Act;
 - (j) "Industrial or business project" means any and all projects which qualify for assistance under the provisions of either the Public Works and Economic Development Act or the Small Business Investment Act, or both;
 - (k) "Nonfederal share" means that portion of the excess of the net cost of the project, as determined by the Department of [Economic and] Community Development, over either the federal loan or grant-in-aid thereof, or the federal guaranteed loan as provided for in either the Public Works and Economic Development Act or the Small Business Investment Act, or both; and
 - (l) "Small business development center" means that local agency or organization as defined or designated by the Small Business Administration or other appropriate federal agency or, in the absence of such federal designation, that agency or organization designated by the legislative body of the municipality and approved by the Department of [Economic and] Community Development, which has as its function in whole or in part the developing of local entrepreneurship through rendering of consultive, technical, educational and financial assistance and will serve to seek qualified applicants for loans and other assistance from federal, state, local, public and private agencies in furtherance of the objective of establishing and stimulating the growth of small business enterprises particularly as related to the low-income groups within the community. Such center may be a municipal or regional economic

- development commission, a municipal bureau or agency, a local or regional development corporation or an appropriate private agency.
- Sec. 120. Section 8-166 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 6596 (a) An application under the provisions of either the Public Works 6597 and Economic Development Act or the Small Business Investment Act 6598 may be made on behalf of the state by a department, board, 6599 commission or agency, after prior written approval of such application 6600 has been given by the Department of [Economic and] Community 6601 Development. Written request for such approval shall be made to the 6602 Department of [Economic and] Community Development and the 6603 department shall, within thirty days of receipt of such request, either 6604 approve or disapprove of either the entire application or a part thereof.
 - (b) An application under the provisions of either of the federal acts may be made on behalf of any municipality by its chief executive officer after prior written approval of such application has been given by the legislative body of such municipality. Written request for such approval shall be made by such chief executive officer and such legislative body shall, within thirty days after receipt of such request, either approve or disapprove of either the entire application or a part thereof. If such legislative body does not disapprove of all or any part of such application within thirty days from the receipt of such written request, it shall be deemed to have approved the application.
 - (c) Individual persons or small businesses or regional planning agencies or municipal economic development commissions or state or local development companies in this state may participate in any part of the program offered by the federal government under said acts. Any corporation may make application and participate in any programs established under said acts in the manner and to the extent authorized by vote of its board of directors.
- Sec. 121. Section 8-167 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

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- (a) The Department of [Economic and] Community Development is authorized on behalf of the state to make any determination or certification required by the provisions of either of said acts or regulations promulgated under the provisions thereof.
- (b) The Department of [Economic and] Community Development is authorized, on behalf of the state, to reimburse small business development centers in amounts up to one-half the nonfederal share of the cost of providing applicants for Small Business Administration and business loan programs of other federal agencies, particularly economic opportunity loans and Section 502 loans, with necessary technical, advisory, management or other counseling assistance up to a maximum amount of ten thousand dollars per annum. If no federal support is available, the Department of [Economic and] Community Development is authorized on behalf of the state to reimburse each of such small business development centers for up to one-half of the cost of providing the above-described services, in amounts not exceeding ten thousand dollars per annum. Any small business development center receiving such state assistance shall apply to the Department of [Economic and] Community Development for such reimbursement with all appropriate documentation needed to support such application.
 - Sec. 122. Section 8-169w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) A fund to be known as the "Urban Homesteading Fund" is hereby created. Said fund shall be used (1) on a revolving basis to aid any urban homesteading agency in accordance with section 8-169q, in providing financial assistance to urban homesteaders in the form of loans or deferred loans for the purchase and rehabilitation of, or construction on, urban homestead program property, and (2) to aid any urban homesteading agency in accordance with section 8-169q, in providing financial assistance to the community housing development corporation chartered under section 8-218f in the form of grants for the purchase and rehabilitation of, or construction on, urban homestead

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6657 program property. The [Commissioner of Economic and Community 6658 Development] executive director of the Connecticut Housing Finance 6659 Authority may authorize loans or deferred loans under subdivision (1) 6660 of this subsection from said fund as requested and approved by the urban homesteading agency in such municipality, subject to the 6661 6662 applicable provisions of section 8-169u. In the case of a deferred loan, 6663 the contract shall require that payments on interest are due 6664 immediately but that payments on principal may be made at a later 6665 time. Such fund shall also be used on a revolving basis to aid any 6666 nonprofit corporation incorporated pursuant to chapter 602 or any 6667 predecessor statutes thereto, having as one of its purposes the 6668 construction, rehabilitation, ownership or operation of housing and 6669 having articles of incorporation approved by the [Commissioner of 6670 Economic and Community Development] executive director of the 6671 Connecticut Housing Finance Authority, which is an urban 6672 homesteader as defined in section 8-169p. A nonprofit corporation 6673 shall notify the chief elected official of the municipality in which it is 6674 located at the time a loan or deferred loan application is submitted to 6675 the [Department of Economic and Community Development] 6676 Connecticut Housing Finance Authority in accordance with this 6677 section. The [commissioner] executive director of the authority may 6678 charge the fund for any necessary costs of administering such loan or 6679 deferred loan programs.

- (b) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall charge and collect interest on each loan or deferred loan extended under this section at a rate to be determined in accordance with subsection (t) of section 3-20. Payments of principal and interest on such loans or deferred loans shall be paid to the Treasurer for deposit to the credit of the Housing Repayment and Revolving Loan Fund.
- (c) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall adopt [regulations in accordance with chapter 54] written procedures, in accordance with section 1-121, to carry out the provisions of sections

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- 8-1690 to 8-169v, inclusive, and this section. Such [regulations] written procedures shall (1) establish loan procedures, repayment terms, security requirements, default and remedy provisions and such other terms and conditions for said loans as said [commissioner] executive director of the authority shall deem appropriate, and (2) establish procedures for the making of grants under section 8-169u and subdivision (2) of subsection (a) of this section.
 - (d) For the purposes of subsections (a) to (c), inclusive, of this section, the State Bond Commission shall have power, in accordance with the provisions of this section, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one million five hundred thousand dollars, the proceeds of the sale of which shall be used by the [Department of Economic and Community Development] <u>Connecticut Housing Finance Authority</u> for the provision of financial assistance under section 8-169u and this section.
- (e) All provisions of section 3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. Such bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made and the Treasurer shall pay such principal and interest as the same become due.

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Sec. 123. Section 8-206 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall (1) administer and direct the operations of the [Department of Economic and Community Development] Connecticut Housing Finance Authority; (2) advise and inform municipal officials, local housing authorities, [the Connecticut Housing Authority,] public development agencies and other agencies and groups about housing, redevelopment, urban renewal and community development and shall collect and disseminate information pertaining thereto, including information about federal, state and private assistance programs and services pertaining thereto; (3) inquire into the utilization of state government resources, coordinate federal and state activities for assistance in and solution of problems of housing, redevelopment, urban renewal and community development and shall inform and advise the Governor about and propose legislation concerning such problems; (4) conduct, encourage and maintain research and studies relating to housing, redevelopment, urban renewal and community development problems; (5) prepare and review model ordinances and charters relating to these areas; (6) maintain an inventory of data and information and act as a clearing house and referral agency for information on state and federal programs and services relative to housing and community development; (7) conduct, encourage and maintain research and studies and advise municipal officials concerning forms of intergovernmental cooperation and cooperation between public and private agencies designed to advance programs of housing, redevelopment, urban renewal and community development; (8) promote and assist the formation of local housing authorities and other agencies or organizations appropriate to the purposes of this chapter; and (9) inform the public regarding the rights and obligations of landlords and tenants as provided in chapters 830, 831 and 832 and respond to any inquiries from the public on such matters.

(b) The [commissioner] executive director of the authority may

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determine the qualifications of personnel or consultants to be engaged in connection with the provision of any state assistance or administration provided by the [Department of Economic and Community Development] Connecticut Housing Finance Authority.

- (c) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority may make available technical and financial assistance and advisory services to any municipality, municipal agency, local housing authority, human resource development agency, regional planning agency, regional council of elected officials, regional council of governments, housing sponsor, prospective housing sponsor or other appropriate agency, or the Connecticut Housing Authority, for any activity pertinent to the development, preservation, repair or rehabilitation of housing or for urban renewal, redevelopment or community development activities as defined in chapter 130, provided any financial assistance to a regional planning agency, regional council of governments or a regional council of elected officials shall have the prior approval of the Secretary of the Office of Policy and Management, or his designee. Financial, technical or advisory assistance shall be rendered upon such contractual arrangements as may be agreed upon by [commissioner] executive director of the authority and any such municipality, agency, authority, council or sponsor in accordance with their respective needs.
- (d) The [Commissioner of Economic and Community Development is authorized to] executive director of the Connecticut Housing Finance Authority may do all things necessary to apply for, qualify for and accept any federal funds made available or allotted under any federal act for any activities which may be pertinent to the purposes of this chapter and chapters 128, 129, 130, 135 and 136 and said [commissioner] executive director of the authority shall administer any such funds allotted to the [department] authority in accordance with federal law. The [commissioner] executive director of the authority may enter into contracts with the federal government concerning the use and repayment of such funds under any such federal act, the

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prosecution of the work under any such contract and the establishment of and disbursement from a separate account in which federal and state funds estimated to be required for plan preparation or other eligible activities under such federal act shall be kept. Said account shall not be a part of the General Fund of the state or any subdivision of the state. Unless otherwise required by federal law or regulation, any federal housing assistance funding made available at the state level shall be allocated in accordance with the housing plan prepared pursuant to the provisions of section 8-37t. Such allocation shall, to the maximum extent possible, reflect the types and distribution of housing needs in all parts of the state and the resources required by the [department, the] Connecticut Housing Finance Authority or other appropriate agencies to meet those needs.

- (e) The powers and duties enumerated in this section shall be in addition to and shall not limit any other powers or duties of the [Commissioner of Economic and Community Development] <u>executive</u> <u>director of the Connecticut Housing Finance Authority</u> contained in any other law.
- Sec. 124. Section 8-206d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall administer an emergency fuel assistance program to provide: (1) Emergency fuel assistance on behalf of private, nonprofit group homes and halfway houses receiving state aid and licensed by or under contract with the Department of Public Health, the Department of Children and Families, the Department of Mental Health and Addiction Services, the Department of Correction or the Department of Developmental Services, provided no group home or halfway house shall receive emergency fuel assistance in excess of one thousand dollars unless the [commissioner] executive director of the authority finds additional assistance is necessary to protect the health and safety of the residents of such group home or halfway house; (2) grants to

6826 municipalities for emergency fuel assistance to receivers of rents 6827 appointed pursuant to section 47a-56a, to prevent and respond to 6828 abandonment by landlords of tenant-occupied dwelling units, 6829 provided no municipality shall receive an amount in excess of one 6830 thousand five hundred dollars for each receivership established within 6831 such municipality unless the [commissioner] executive director of the authority finds additional assistance is necessary to protect the health 6832 6833 and safety of the residents of such dwelling units; and (3) emergency 6834 fuel assistance to housing authorities for state-financed housing 6835 projects, for fuel costs incurred after October 1, 1979. The 6836 [commissioner] executive director of the authority shall adopt 6837 [regulations, in accordance with the provisions of chapter 54] written 6838 procedures, in accordance with section 1-121, establishing eligibility 6839 criteria for the distribution of state funds appropriated to the 6840 [Department of Economic and Community Development] Connecticut 6841 Housing Finance Authority for such program. The [commissioner] 6842 executive director of the authority may, in his discretion and based on 6843 his determination of need, allocate any funds appropriated for the 6844 purposes of this section among group homes and halfway houses, 6845 municipalities and housing authorities.

- Sec. 125. Section 8-208b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) A Neighborhood Housing Services Program Fund is hereby created. There shall be deposited in said fund all moneys received by or appropriated to the [Department of Economic and Community Development] Connecticut Housing Finance Authority from time to time therefor. Amounts in said fund shall be used for the purpose of making grants-in-aid to any duly organized neighborhood housing services corporation in the state, pursuant to subsection (b) of this section.
 - (b) In order to stimulate development of partnerships of the public and private sectors of the urban community committed to stemming neighborhood decline, the state, acting by and in the discretion of the

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- [Commissioner of Economic and Community Development] <u>executive</u> <u>director of the Connecticut Housing Finance Authority</u>, may enter into a contract with any duly organized neighborhood housing services corporation in the state. Such contract shall provide for state financial assistance in the form of a state grant-in-aid equal to twice the amount of the federal grant-in-aid received by such corporation but not to exceed one hundred thousand dollars.
- (c) "Neighborhood housing services program" means a program developed by the Neighborhood Reinvestment Corporation of the United States government to stimulate reinvestment in the urban neighborhood. "Neighborhood housing services corporation" means a private, nonprofit, community based corporation organized pursuant to the establishment of a neighborhood housing services program. The significant features of a neighborhood housing services corporation include: (1) Government by a local board of directors composed of neighborhood residents and financial industry representatives; (2) use of a revolving loan fund to make loans to residents of the neighborhood who cannot meet normal commercial requirements for the purpose of bringing homes in the neighborhood up to code standards; (3) contributions to the loan fund by, among others, foundations, local business and industry, local government and the Neighborhood Reinvestment Corporation; and (4) operation of a systematic housing inspection and code compliance program for homeowners which includes rehabilitation counseling, construction monitoring and financial counseling.
- Sec. 126. Section 8-214a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate three million dollars.

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- (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the [Department of Economic and Community Development] Connecticut Housing Finance Authority for the purpose of housing site development in accordance with section 8-213a and section 8-216b.
 - (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.
- Sec. 127. Section 8-214e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 6922 (a) For the purposes described in sections 8-214b to 8-214d, 6923 inclusive, the State Bond Commission shall have the power, from time

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to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one million dollars. The proceeds of the sale of such bonds shall be deposited in the fund designated the "Community Housing Land Bank and Land Trust Fund" and used by the [Department of Economic and Community Development] Connecticut Housing Finance Authority to make the grants-in-aid, loans or deferred loans pursuant to subsection (a) of section 8-214d.

(b) All provisions of section 3-20, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 128. Section 8-216c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

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- (a) As used in this section, "nonprofit corporation" means a nonprofit corporation incorporated pursuant to chapter 602 or any predecessor statutes thereto, having as one of its purposes the construction, rehabilitation, ownership or operation of housing.
- (b) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall establish a pilot program of financial assistance in the form of loans, deferred loans and grants-in-aid to nonprofit corporations for not more than five developments of rental, mutual or limited equity cooperative housing for low and moderate income persons and families. Financial assistance provided under this section shall be on such terms and conditions as prescribed by the [commissioner] executive director of the authority and shall be in an amount equal to one hundred per cent of the cost incurred for the acquisition of land and buildings, construction and any other costs determined by the [commissioner] executive director of the authority to be reasonable and necessary. Financial assistance shall be for permanent financing only and shall not be used for construction financing. Any development receiving financial assistance under this section shall not be eligible for construction financing under any program operated by [Department of Economic and Community Development or the] Connecticut Housing Finance Authority. Financial assistance shall be released upon (1) completion of a development in accordance with plans and specifications approved by the [commissioner] executive director of the authority and final inspection by the [commissioner] executive director of the authority, (2) issuance of a certificate of occupancy by the building official of the municipality in which the housing is located, and (3) the signing of leases for eighty per cent of the units in the development. The [commissioner] executive director of the authority may enter into an agreement with a nonprofit corporation for financial assistance under this section upon approval of the development by the State Bond Commission. Applicants receiving financial assistance under this section may retain not more than ten per cent of such assistance as a developer's administrative fee. The

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[commissioner] executive director of the authority, upon request of the developer of an approved development, may advance financial assistance to reimburse such developer for costs incurred prior to a construction loan closing, provided such costs were included in the development budget approved by the [commissioner] executive director of the authority. Any loan or deferred loans made under this program shall bear interest at a rate not exceeding three per cent per annum and shall be for a term of not less than twenty-five but not more than forty years.

- (c) To be eligible for financial assistance under this section a development shall: (1) Consist of not more than thirty units per development and may have from one to four bedrooms per unit, with priority being given to units with three or four bedrooms; (2) be in conformance with all local zoning and other applicable land use requirements; (3) be within total development cost limits based on annual high cost limits for housing established by the United States Department of Housing and Urban Development under the Section 221d(3) program as described in 12 USC 1715l; (4) be occupied not more than eighteen months after the date of approval by the State Bond Commission; (5) be marketed pursuant to an affirmative fair housing marketing plan; and (6) be consistent with the criteria of the state comprehensive housing affordability strategy adopted under the Cranston-Gonzalez National Affordable Housing Act (42 USC 12705).
- (d) The [commissioner] executive director of the authority shall select developments for funding by a competitive process based on consideration of the following: (1) The record of the applicant in providing housing for low and moderate income persons and families; (2) total development costs based on unit size relative to such costs in other applications; and (3) the number of three or four bedroom units in the proposed development.
- (e) Applicants shall provide the [commissioner] <u>executive director</u> <u>of the authority</u> with the following: (1) Evidence of zoning compliance and of site control; (2) a letter of interest from a construction financing

7025 source; (3) a statement showing sources of funding and that 7026 development costs are within costs limits established for financial 7027 assistance under this section; (4) an operating statement showing rents 7028 or carrying costs and operating costs, including taxes and debt service; 7029 (5) a letter of interest from a general contractor that includes a 7030 construction price; (6) a construction cost budget; (7) architectural plans and outline specifications; (8) evidence of the marketability of 7032 the units in the developments at the proposed rent; (9) a projected time 7033 frame for the completion of the development until occupancy; and (10) 7034 any other reasonable documentation requested by the [commissioner] 7035 executive director of the authority to verify the feasibility of the 7036 development.

- (f) Notwithstanding the provisions of the general statutes, any requirement that state-assisted rental housing be limited to families whose total housing cost is less than a specific per cent of their adjusted gross income shall not apply to projects receiving financial assistance under this section unless the occupant is receiving federal or state rental assistance or the project was constructed under a federal program requiring such limitations.
- (g) The [commissioner] executive director of the authority may monitor each project receiving financial assistance under this section after completion and occupancy. The [commissioner] executive director of the authority may require the applicant to submit periodic reports on the development concerning operation and financial status, including a description of rents.
- (h) Notwithstanding the provisions of the general statutes, an applicant receiving financial assistance under this section shall not be required to comply with the provisions of the general statutes or regulations adopted thereunder concerning (1) competitive bidding; (2) procedures for the selection of a contractor, architect, engineer, appraiser or lawyer; and (3) design review standards. The selection of any professional services shall be at the discretion of the applicant and subject to the approval of the construction financing source.

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- [(i) On or before January 1, 1995, the commissioner shall submit a report to the select committee of the General Assembly on housing on the program established under this section.]
- Sec. 129. Section 8-218 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) The state, acting by and in the discretion of the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority, may enter into a contract with a community housing development corporation or an eligible developer, as defined in section 8-39, for state financial assistance in the form of (1) a state grant-in-aid, loan, deferred loan, advance or any combination thereof equal to the cost to the community housing development corporation or eligible developer, as approved by the [commissioner] executive director of the authority, of developing or rehabilitating low and moderate income housing under section 8-217, but limited to the following expenses: Appraisals, title searches, legal fees, option agreements, architectural, engineering and consultants' fees, financing fees, closing costs and such other expenses as may be financed by a mortgage loan under any federal or state housing statute and incurred by a community housing development corporation or eligible developer prior to the disbursement of mortgage loan funds on account of such property; provided, to the extent such expenses are recovered by the community housing development corporation or the eligible developer from the mortgage loan or from the proceeds of a sale of such property, such expenses shall be repaid to the state or to a fund established pursuant to subsection (b) of this section; and (2) an additional grant-in-aid, loan, deferred loan or advance to such corporation or such developer for the development of housing which in the determination of the [commissioner] executive director of the authority contains a substantial number of dwelling units of three or more bedrooms provided (A) that the mortgage loan for such housing shall be eligible for insurance by the United States Department of Housing and Urban Development or for financing by the Connecticut Housing Finance Authority or the Farmers' Home Administration, and

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(B) that the [commissioner] executive director of the authority, after consultation with the United States Department of Housing and Urban Development [, the Connecticut Housing Finance Authority] or the Farmers' Home Administration, as the case may be, shall have determined that the mortgage loan on such housing would not be insurable in the absence of such additional financial assistance; such grant-in-aid, loan, deferred loan or advance shall be in lieu of any assistance to said housing under section 8-216 and shall be equal to the additional cost of construction caused by the inclusion of such dwelling units of three or more bedrooms in such housing, but in no event shall such grant-in-aid, loan, deferred loan or advance be greater than ten per cent of the cost of construction of such housing, as determined by the United States Department of Housing and Urban Development [, the Connecticut Housing Finance Authority] or the Farmers' Home Administration. The [commissioner] executive director of the authority may require that any assistance in the form of a loan or deferred loan be secured by a mortgage on such housing. In the case of a deferred loan, the contract shall require that payments on all or a portion of the interest are due currently but that payments on principal may be made at a later time.

(b) The state, acting by and in the discretion of the [commissioner] executive director of the authority, may enter into a contract with a community housing development corporation or an eligible developer for state financial assistance in the form of a loan or deferred loan, which loan or deferred loan shall be used to establish and administer a revolving loan fund for the construction, rehabilitation and renovation of existing or planned low and moderate income housing, as approved by the [commissioner] executive director of the authority. Such fund may also consist of any state financial assistance received from a contract between said [commissioner] executive director of the authority and such community housing development corporation or eligible developer entered into pursuant to subsection (a) of this section, any proceeds recovered by such corporation or developer from any mortgage loan or from any loan or on account of such project or

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7126 from the sale of such project and funds from any other source. Such 7127 fund shall be used by such corporation or developer, as approved by 7128 the [commissioner] executive director of the authority, for the expenses 7129 acquisition, development, project selection, construction, 7130 rehabilitation, renovation and oversight of existing or planned low and 7131 moderate income housing or to make loans for construction, 7132 rehabilitation and renovation of such housing on such terms and 7133 conditions as the [commissioner] executive director of the authority 7134 may determine. Recipients of loans under this subsection for housing 7135 located in a distressed municipality, as defined in section 32-9p, may 7136 assign or prepay such loans with the approval of the community 7137 housing development corporation. In the case of housing developed or 7138 rehabilitated by a community housing development corporation in 7139 distressed municipalities as defined in section 32-9p, the policies of the 7140 [Department of Economic and Community Development] Connecticut 7141 Housing Finance Authority adopted under section 8-37dd, and the 7142 [regulations] written procedures of the [department] authority 7143 adopted under this section shall apply only to that portion of the 7144 assisted property which corresponds to the proportion of the state 7145 assistance to the property's value. The number of income-limited 7146 housing units shall be determined by multiplying the amount of the 7147 housing assistance by the total number of housing units in the assisted 7148 housing and dividing the product by the fair market value of the 7149 property. The result shall be rounded to the lower whole number. 7150 Notwithstanding the provisions of any statute to the contrary or any 7151 regulation adopted under this section or section 8-37dd, or any other 7152 statute or regulation, limiting the income of occupants of housing 7153 assisted under this section and not located in a distressed municipality, 7154 the income of occupants of units assisted under this section and 7155 located in distressed municipalities may be two hundred fifty per cent 7156 or less of the area median income, adjusted for family size, as 7157 determined from time to time by the United States Department of 7158 Housing and Urban Development.

(c) The state, acting by and in the discretion of the [commissioner]

executive director of the authority, may enter into a contract with a community housing development corporation for state financial assistance within available appropriations in the form of a grant-in-aid which shall be used by such community housing development corporation to provide grants, or to establish a revolving loan fund to provide loans or deferred loans for the purpose of making structural or interior or exterior modifications to any dwelling which may be necessary to make such dwelling accessible to and usable by persons having physical or mental disabilities. Such corporation may provide such grants, loans or deferred loans to (1) any owner of a single-family or multifamily dwelling, or (2) any tenant who furnishes satisfactory evidence that the owner of the dwelling in which the tenant resides has approved the intended structural or interior or exterior modifications. Any such loan or deferred loan may be prepaid at any time, without penalty, and the [commissioner] executive director of the authority shall release the lien on the property. In the case of housing developed or rehabilitated by a community housing development corporation in distressed municipalities as defined in section 32-9p, the policies of the [Department of Economic and Community Development] Connecticut Housing Finance Authority adopted under section 8-37dd, and any [regulation] written procedure of the [department] authority adopted under this section, shall apply only to that portion of the assisted property which corresponds to the proportion of the state assistance to the property's value. The number of income-limited housing units shall be determined by multiplying the amount of the housing assistance by the total number of housing units in the assisted housing and dividing the product by the fair market value of the property. The result shall be rounded to the lower whole number. Notwithstanding the provisions of any statute to the contrary or any regulation adopted under this section limiting the income of occupants of housing assisted under this section and not located in a distressed municipality, the income of occupants of units assisted under this section and located in distressed municipalities may be two hundred fifty per cent or less of the area median income, adjusted for family size, as determined from time to time by the United States Department of Housing and Urban

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- (d) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall enter into a contract with a community housing development corporation for state financial assistance in the form of a grant-in-aid which shall be used by such community housing development corporation to provide grants for the purpose of conversion of adaptable living units into units accessible to persons with disabilities and for reconversion of such units to adaptable living units. Eligible applicants shall include any tenant or owner of a unit in a complex or building subject to the provisions of section 29-273.
 - (e) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall enter into a contract with a community housing development corporation for state financial assistance in the form of a grant-in-aid which shall be used by such community housing development corporation to provide grants, loans, deferred loans, loan guarantees, lines of credit, or any combination thereof, to eligible developers for activities that build, expand and enhance capacity, including, but not limited to, development of marketing or neighborhood strategic plans, professional staff training, technical assistance, predevelopment expenses as provided in subsection (a) of this section and other activities pursuant to section 8-217.
 - (f) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall adopt [regulations, in accordance with chapter 54] written procedures, in accordance with section 1-121, to administer the programs established under subsections (c) and (d) of this section. Such [regulations] written procedures shall establish maximum income levels for tenants and homeowners and provide for adjustment of income for family size and medical expenses and may set maximum loan amounts for loans made under subsection (c) of this section that are not secured and for grants made under subsection (d) of this

- 7228 section.
- Sec. 130. Section 8-239a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7231 The powers and duties of the Department of Community Affairs
- 7232 and the Commissioner of Community Affairs under sections 8-228 to
- 7233 8-239, inclusive, are transferred to the [Department of Economic and
- 7234 Community Development] Connecticut Housing Finance Authority
- 7235 and the [Commissioner of Economic and Community Development]
- 7236 executive director of the Connecticut Housing Finance Authority.
- Sec. 131. Section 8-240m of the general statutes is repealed and the
- 7238 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7239 (a) The state, acting by and through the [Commissioner of Economic
- 7240 and Community Development] executive director of the Connecticut
- 7241 Housing Finance Authority, may provide financial assistance,
- 7242 including, without limitation financial assistance in the form of grants,
- 7243 loans and the purchase of capital stock, for the program established
- 7244 pursuant to subsection (a) of section 8-240k, upon the execution of a
- financial assistance agreement containing such terms and conditions as
- 7246 the [Commissioner of Economic and Community Development]
- 7247 executive director of the Connecticut Housing Finance Authority shall
- 7248 deem necessary and appropriate to fulfill the purposes of sections 8-
- 7249 240k to 8-240n, inclusive. Notwithstanding the provisions of section 4-
- 7250 66c, the [Commissioner of Economic and Community Development]
- 7251 executive director of the Connecticut Housing Finance Authority may
- 7252 provide such financial assistance from the proceeds of bonds
- 7253 authorized for the [Department of Economic and Community
- 7254 Development] Connecticut Housing Finance Authority pursuant to
- 7255 said section 4-66c.
- 7256 (b) The Connecticut Development Authority may provide financial
- 7257 assistance, including, without limitation, financial assistance in the
- form of grants, loans and the purchase of capital stock, for the program
- 7259 established pursuant to subsection (a) of section 8-240k, upon the

- execution of a financial assistance agreement containing such terms and conditions as the Connecticut Development Authority shall deem
- necessary and appropriate to fulfill the purposes of sections 8-240k to
- 7263 8-240n, inclusive.
- 7264 (c) The Connecticut Housing Finance Authority may provide 7265 financial assistance, including, without limitation, financial assistance 7266 in the form of grants, loans and the purchase of capital stock, for the 7267 program established pursuant to subsection (a) of section 8-240k, upon 7268 the execution of a financial assistance agreement containing such terms 7269 and conditions as the Connecticut Housing Finance Authority shall 7270 deem necessary and appropriate to fulfill the purposes of sections 8-7271 240k to 8-240n, inclusive.
- Sec. 132. Section 8-243 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- The following terms shall have the following meanings unless the context clearly indicates another meaning and intent:
- 7276 (a) "Act" means this chapter as amended from time to time;
- 7277 (b) "Authority" means the Connecticut Housing Finance Authority 7278 as created under section 8-244;
- (c) "Housing", "housing project" or "project" means a work or 7279 7280 undertaking having as its primary purpose the provision of safe and 7281 adequate housing and related facilities for low and moderate income 7282 families and persons, and includes existing dwelling units for low and 7283 moderate income families and persons, notwithstanding that said 7284 housing provides other dwelling accommodations in addition to the 7285 primary purpose of providing dwelling accommodations for low and 7286 moderate income families and persons;
 - (d) "Related facilities" means commercial, office, health, welfare, administrative, recreational, community and service facilities incidental and pertinent to housing as determined by the authority;

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- (e) "Rents", "rentals" or "carrying charges" means the charges, excluding security deposits and down payments, paid for occupancy of housing financed or assisted under this chapter, whether such housing is owned or operated on a landlord-tenant or home ownership basis or as a condominium or a cooperative;
- (f) "Project cost" means the sum total of all costs incurred in the development of a housing project, which are approved by the authority as reasonable and necessary, including, but not limited to (1) costs of land acquisition and any buildings thereon; (2) costs of site demolition and development; (3) preparation, architectural, engineering, legal, authority and other fees and charges paid or payable in connection with the planning, execution and financing of the project; (4) cost of necessary studies, surveys, plans and permits; (5) insurance, interest, financing, tax and assessment costs and other operating and carrying costs during construction; (6) cost of construction or reconstruction, and fixtures and equipment related to such construction or reconstruction; (7) cost of land improvements; (8) necessary expenses in connection with the initial occupancy of the project; (9) a reasonable profit or fee to the builder and developer; (10) an allowance established by the authority for working capital, replacement and contingency reserves, and reserves for any anticipated operating deficits during the first two years of occupancy; (11) the cost of such other items, including tenant relocation, as the authority shall deem to be reasonable and necessary for the development of the project, less any and all net rents and other net revenues received from the operation of the real and personal property on the project site during construction;
- (g) "Development costs" means the costs approved by the authority as appropriate expenditures which may be incurred prior to initial disbursement of mortgage loan proceeds, including, but not limited to: (1) Payments for options to purchase properties for the proposed project, deposits on contracts of purchase or, with the prior approval of the authority, payments for the purchase of such properties; (2) legal, organizational and marketing expenses, including payment of

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- attorneys' and consultants' fees, project management and clerical staff salaries, office rent and other incidental expenses; (3) payment of fees for preliminary feasibility studies and advances for planning, architectural and engineering work and land surveys and soil tests; (4) expenses of surveys as to need and market analyses; (5) necessary application and other fees to federal, state and local government agencies; and (6) such other expenses as the authority may deem appropriate to effectuate the purposes of this chapter;
 - (h) "Low and moderate income families and persons" means families and persons who lack the amount of income necessary as determined by the authority, to rent or purchase safe and adequate housing without special financial assistance not reasonably available. The income limits for the admission of such families and persons to housing built or financed or assisted under this chapter shall be established by this authority;
 - (i) "Assisted mortgage financing" means a below market interest rate mortgage insured or purchased, or a loan made, by the Secretary of the United States Department of Housing and Urban Development; a market interest rate mortgage insured or purchased, or a loan made, in combination with, or as augmented by, a program of rent supplements, interest subsidies or interest reduction payments, leasing, contributions or grants, or other programs now or hereafter authorized by federal law to serve low and moderate income families and persons; a mortgage loan made or insured pursuant to this chapter; or any combination of such loans, mortgage insurance or other assistance;
 - (j) "Mortgage" means a mortgage deed, deed of trust, or other instrument which shall constitute a lien, whether first or second, on real estate or on a leasehold under a lease having a remaining term, at the time such mortgage is acquired, which does not expire for at least that number of years beyond the maturity date of the obligation secured by such mortgage as is equal to the number of years remaining until the maturity date of such obligation. As used in this subsection, a

- lease of a lot in a mobile manufactured home park which is indefinitely renewable pursuant to subsection (b) of section 21-70 shall satisfy the leasehold requirement, provided such lease is acceptable to a third party mortgage insurer and the authority receives an acceptable mortgage insurance policy;
 - (k) "First mortgage" means such classes of first liens as are commonly given to secure loans on, or the unpaid purchase price of, real estate under the laws of the state, together with appropriate credit instruments;
- 7366 (l) "Mortgagee" means the original lender under the mortgage or 7367 participants therein, and their successors and assigns;
 - (m) "Mortgagor" or "eligible mortgagor" means (1) a nonprofit corporation incorporated pursuant to chapter 602 or any predecessor statutes thereto, having as one of its purposes the construction, rehabilitation, ownership or operation of housing, and having articles of incorporation approved by the authority in accordance with the provisions of this chapter; (2) any business corporation incorporated pursuant to chapter 601 or any predecessor statutes thereto, having as one of its purposes the construction, rehabilitation, ownership or operation of housing, and having articles of incorporation approved by the authority in accordance with the provisions of this chapter; (3) any partnership, limited partnership, joint venture, trust or association having as one of its purposes the construction, rehabilitation, ownership or operation of housing, and having basic documents of organization approved by the authority in accordance with the provisions of this chapter; (4) a housing authority established pursuant to chapter 128; (5) a family or person approved by the authority as qualified to own, construct, rehabilitate, manage and maintain housing under a mortgage loan made or insured by the authority under the provisions of this chapter; or (6) a municipal developer; and includes the successors and assigns of the mortgagor;
 - (n) "Mortgage payments" means periodic payments called for by a

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- mortgage, and may include, but is not limited to, interest, installments of principal, taxes and assessments, mortgage insurance premiums and hazard insurance premiums;
- 7392 (o) "Aggregate family income" means the total family income of all 7393 members of a family, from whatever source derived, including but not 7394 limited to pension, annuity, retirement and social security benefits, 7395 provided there may be excluded from income, as the authority by 7396 regulation may determine, (1) reasonable allowances for dependents, 7397 (2) reasonable allowances for medical expenses, (3) all or any 7398 proportionate part of the earnings of gainfully employed minors or 7399 family members other than the chief wage earner, (4) income not 7400 received regularly and (5) other expenses;
 - (p) "Earned surplus" shall have the same meaning as in generally accepted accounting standards;
- 7403 (q) "Municipality" means any city, town or borough in the state;
- (r) "Lending institution" means any bank, trust company, savings bank, savings and loan association or credit union, whether chartered by the United States of America or this state, and any insurance company authorized to do business in this state, and any mortgage banking firm approved by the authority;
- 7409 (s) "Tenant" means the occupant of any housing financed or assisted 7410 by the authority under this chapter;
 - (t) "Second mortgage" means any class of second liens ranking immediately after a first mortgage on the same property, without any intervening liens, as are commonly given to secure loans on real estate, or the unpaid purchase price of real estate under the laws of the state, together with appropriate credit instruments, provided such second mortgage, unless granted pursuant to the exercise of powers granted to the authority under the provisions of the general statutes, is insured by an agency of the federal government or by such other entity as the authority shall determine is financially able to insure or guarantee

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- 7420 repayment in the event of default by the mortgagor;
- 7421 (u) "Person" means any person, including individuals, limited
- 7422 liability companies, firms, partnerships, associations, public or private,
- organized or existing under the laws of the state or, any other state if
- 7424 qualified to do business in the state;
- 7425 (v) "Urban area" means any targeted area, as defined in Section 143
- 7426 of the Internal Revenue Code of 1986, or any subsequent
- 7427 corresponding internal revenue code of the United States, as from time
- 7428 to time amended;
- 7429 (w) "Urban area mortgage" means a mortgage securing a
- 7430 construction or a permanent loan to any person for the purpose of
- 7431 purchasing, refinancing, constructing or rehabilitating any residential
- 7432 building in an urban area, including related facilities, such as
- 7433 commercial, offices, health, welfare, administration, recreational,
- 7434 community and service facilities incidental and pertinent thereto as
- 7435 determined by the authority, but need not be a first lien upon the
- 7436 mortgaged property;
- 7437 (x) "Municipal developer" means a municipality, as defined in
- 7438 subsection (q) of this section, which has not declared by resolution a
- 7439 need for a housing authority pursuant to section 8-40, acting by and
- 7440 through its legislative body, except that in any town in which a town
- 7441 meeting or representative town meeting is the legislative body,
- 7442 "municipal developer" means the board of selectmen if such board is
- authorized to act as the municipal developer by the town meeting or
- 7444 representative town meeting; and
- 7445 (y) "Employer-assisted housing" means (1) housing that is, in whole
- or in part, owned, acquired, developed or managed by employers, or
- on behalf of employers, for the benefit of employees in the state, or (2)
- 7448 assistance offered by employers to employees in the purchase or lease
- 7449 of residential property in the state. [;]
- 7450 [(z) "Department" means the Department of Economic and

- 7451 Community Development.]
- Sec. 133. Section 8-265p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7454 The authority shall establish, within the resources allocated by the 7455 State Bond Commission to the [Department of Economic and 7456 Community Development] Connecticut Housing Finance Authority for 7457 the purposes of sections 8-2650 to 8-265v, inclusive, a residential 7458 mortgage guarantee program. The purpose of the program shall be to 7459 enable residential mortgagors to obtain mortgage credit, otherwise 7460 unavailable, for the refinancing of existing mortgages. The authority 7461 shall implement the program in a manner designed to facilitate the 7462 qualifications of the loans guaranteed under the program for sale to 7463 one or more secondary mortgage markets for such loans. The authority 7464 shall compute the amount of guarantees authorized for the purposes of 7465 sections 8-2650 to 8-265v, inclusive, on the basis of not more than ten 7466 times the resources allocated by the State Bond Commission to the 7467 [Department of Economic and Community Development] Connecticut 7468 Housing Finance Authority for such purposes, including fees received 7469 pursuant to section 8-265t.
- Sec. 134. Section 8-265w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars.
- 7477 (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the [Department of Economic and Community Development] Connecticut Housing Finance Authority for the purpose of (1) [a grant to the Connecticut Housing Finance Authority for the purposes of] sections 8-2650 to 8-265v, inclusive, and (2) for loans or deferred loans [by the

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- Department of Economic and Community Development] pursuant to sections 8-283 to 8-289, inclusive. Any proceeds authorized or allocated by the commission for loans or deferred loans pursuant to sections 8-283 to 8-289, inclusive, shall not be deemed to be authorized, allocated or available for the purposes of sections 8-2650 to 8-265v, inclusive.
 - (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.
- Sec. 135. Section 8-26500 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7513 (a) As used in this section:
- 7514 (1) "Authority" means the Connecticut Housing Finance Authority

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- 7516 (2) "Mortgage" means a mortgage deed or other instrument that 7517 constitutes a first consensual lien on one, two or three-family owner-7518 occupied residential real property located in this state;
- 7519 (3) "Mortgagee" means mortgage lenders authorized to originate mortgage loans in this state; and
- 7521 (4) "Mortgagor" means the owner-occupant of one, two or three-7522 family residential real property located in this state who is also the 7523 borrower under a mortgage encumbering such real property.
 - (b) It being in the public interest for the state to extend mortgage guarantees to mortgage lending institutions to provide refinancing for mortgage loans when the decline of home values has precluded such lending, the Connecticut Housing Finance Authority shall establish and administer a program of loan guarantees to work in conjunction with loan programs established by secondary market investors to allow mortgagees to refinance residential mortgage loans when a decrease in the appraised value of the real property securing the mortgage might otherwise preclude such lending. The authority shall adopt procedures in accordance with the provisions of section 1-121 no later than January 1, 2000, to carry out the provisions of this section. Such procedures may establish a fee for such mortgage guarantee.
 - (c) The authority shall implement the program established by this section within the resources allocated to it by the State Bond Commission [to the Department of Economic and Community Development] for the purposes of [a grant to the authority for the purposes of this section, in a manner designed to facilitate the qualifications of mortgage guarantees under such program for sale to one or more secondary mortgage markets for such loans. The authority shall explore options that maximize the funds made available, including, but not limited to, the opportunity to minimize the state's exposure through insurance alternatives.

- 7546 (d) (1) The authority is authorized to enter into loan guarantee 7547 agreements with secondary market investors or lenders who meet 7548 criteria established by the authority in procedures adopted pursuant to 7549 subsection (b) of this section. The authority shall make available to the 7550 general public a description of the residential mortgage refinancing 7551 guarantee program, including, but not limited to, information 7552 regarding participation of mortgagees in the program, eligibility 7553 criteria and the terms and conditions of the mortgage guarantee.
 - (2) Mortgagees may participate in the program by entering into a mortgage guarantee agreement with the authority. Mortgagees participating in the program shall process and underwrite mortgage guarantees in accordance with the provisions of this section and with the procedures adopted pursuant to subsection (b) of this section.
 - (e) Mortgagors eligible for refinanced mortgages under this program shall meet the criteria established in the procedures adopted pursuant to subsection (b) of this section, including, but not limited to:
- 7562 (1) The mortgagor shall occupy the property as such mortgagor's 7563 primary residence, and shall continue such occupancy for five years 7564 after the date of the refinancing under this section;
- 7565 (2) The mortgagor shall have received the primary mortgage on the 7566 property no earlier than January 1, 1986, and no later than December 7567 31, 1992;
 - (3) The mortgagor shall have a primary mortgage on the property with a loan to value ratio of no more than one hundred twenty-five per cent, and a recent full appraisal of the property in accordance with secondary market standards shall be required;
- 7572 (4) The mortgagor shall have no second mortgage on the property 7573 except a second mortgage where repayment is waived after a certain 7574 period of time has elapsed; and
- 7575 (5) No mortgagor shall participate in this program if such

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- 7576 mortgagor currently has other refinancing alternatives.
- (f) Any mortgagee or mortgagor seeking a mortgage guarantee shall provide such information to the authority as the authority deems reasonably necessary.
- 7580 (g) Mortgages refinanced pursuant to this section shall be 7581 underwritten using secondary market standards, except:
- 7582 (1) The household income of the mortgagor shall not exceed one 7583 hundred twenty per cent of the state median income;
- 7584 (2) The mortgagor shall have been current on the payments on the mortgage loan for the most recent twenty-four-month period; and
- 7586 (3) The credit rating of the mortgagor shall meet the secondary 7587 market standards.
- (h) The amount of any mortgage guarantee provided under this section shall be reviewed and approved by the authority. The guarantee shall secure the mortgagee up to the amount of the guarantee for any loss incurred by the mortgagee because of default by the mortgagor including losses in principal balance.
 - (i) The authority may terminate any mortgage guarantee if the mortgage misrepresents any information pertaining to the application for a mortgage guarantee or fails to comply with any term of the mortgage guarantee agreement in connection with the mortgage guarantee.
- Sec. 136. Section 8-281 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- To be eligible to receive financial assistance under section 8-280, a state agency shall cause to be prepared and file with the [Department of Economic and Community Development] Connecticut Housing Finance Authority for the approval of the [commissioner] executive director of the authority a relocation plan based upon a plan or

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- 7605 program of governmental action within the area of operation of the 7606 state agency which will cause the displacement of persons, families, 7607 businesses, farm operations and nonprofit organizations. Such 7608 relocation plan shall conform to the provisions of this chapter and shall 7609 include but not be limited to the following: [(a)] (1) The number of 7610 persons, families, businesses and farms to be displaced by the 7611 proposed governmental action; [(b)] (2) a statement concerning 7612 availability of sufficient, suitable accommodations as shall meet the 7613 requirements for occupancy of those persons, families, businesses and 7614 farms displaced and the dates when such accommodations will be 7615 available; [(c)] (3) a plan for carrying out the relocation of such 7616 displaced persons, families, businesses and farms; and [(d)] (4) a 7617 description and identification of the area to be affected.
- Sec. 137. Section 8-284 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7620 As used in this chapter:
- [(a)] (1) "Eligible family or person" means a family or person who lacks the amount of income necessary, to purchase safe and adequate housing without special financial assistance;
- 7624 [(b)] (2) "Commissioner" means the Commissioner of [Economic and] Community Development;
- 7626 [(c)] (3) "Authority" means the Connecticut Housing Finance 7627 Authority; and
- 7628 [(d)] (4) "Department" means the Department of [Economic and] 7629 Community Development.
- Sec. 138. Section 8-286 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7632 (a) The authority shall administer, within the resources allocated by 7633 the State Bond Commission to [the Department of Economic and 7634 Community Development] said authority for the purposes of sections

8-283 to 8-289, inclusive, the homeownership loan program established by said sections 8-283 to 8-289. The purpose of the program shall be to provide, through a contract, an eligible family or person based on the financial needs of such family or person, a loan or deferred loan to assist in the purchase of a dwelling or the purchase and rehabilitation of a dwelling containing up to four residential units, provided such family or person shall reside in at least one of such units. In the case of a deferred loan, the contract shall require that payments on interest are due currently but that payments on principal may be made at a later time.

- (b) Such loan or deferred loan shall not exceed twenty-five per cent of the cost of acquiring such dwelling or twenty-five per cent of the value of such dwelling after rehabilitation, if greater; except that no such limitation may apply to any loan made to a tenant whose dwelling unit is being converted to a condominium and who is able to obtain a mortgage for the purchase of such dwelling unit. Such value shall be determined from the appraisal, if any, required by the lending institution granting the first mortgage loan on such dwelling, and if no such appraisal has been made at the time that a contract for loan is entered into pursuant to this chapter, the authority shall cause such appraisal to be made.
- (c) Commencing October 1, 1995, the proceeds of the sale of any bonds of the state authorized by any public or special act effective on or after July 1, 1995, that are to be used for the purpose of making loans or deferred loans pursuant to this chapter shall be used by the department to make grants-in-aid to the authority and used by the authority, subject to the purposes and conditions of this chapter, for the purpose of making loans or deferred loans pursuant to this chapter.
- (d) The [commissioner] executive director of the authority shall establish and administer within available funds a residential mortgage guarantee program for eligible persons purchasing a home for owner occupancy. Real property eligible for the program shall be located in

- public investment communities, as defined in section 7-545, and may contain one to three dwelling units.
- Sec. 139. Section 8-336f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall establish and administer a Connecticut housing partnership program for the purpose of encouraging the formation of local housing partnerships which will work with the community, the [Department of Economic and Community Development] Connecticut Housing Finance Authority and other state agencies to solve housing problems faced by the community and develop ways to increase the supply and availability of affordable housing in the community.
 - (b) Any municipality may, by ordinance, or by resolution of the board of selectmen in any town in which the legislative body is a town meeting, authorize the formation of a local housing partnership. Any local housing partnership shall include, but shall not be limited to, the chief elected official of the municipality and the following members to be appointed by the chief elected official: (1) Representatives of the planning commission, zoning commission, inland wetlands commission, housing authority and any local community development agency, (2) representatives of the local business community, such as local bankers, realtors and developers, (3) representatives of public interest groups, such as housing advocates, members of the clergy, members of local civic groups and representatives of local nonprofit corporations, and (4) local urban planning, land use and housing professionals.
 - (c) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority may provide a local housing partnership with an initial designation under the Connecticut housing partnership program upon receipt of evidence satisfactory to the [commissioner] executive director of the

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authority that the local housing partnership has been formed in accordance with the provisions of subsection (b) of this section and that sufficient local resources have been committed to the local initial housing partnership. Upon such designation, [commissioner] executive director of the authority shall provide technical assistance to the local housing partnership which assistance shall include, but shall not be limited to, the following: (1) The assignment of a primary contact person in the [Department of Economic and Community Development] Connecticut Housing Finance Authority to work directly with the local housing partnership, (2) obtaining assistance from other state agencies, regional planning agencies, regional housing councils and the Housing Advisory Committee, provided for under section 8-385, on behalf of the local housing partnership when necessary, (3) assisting the local housing partnership in developing a comprehensive local housing strategy, (4) assisting the local housing partnership in identifying available local resources, (5) discussing possible ways to create affordable housing through the use of conventional and alternative financing and through public and private land use controls, (6) explaining the requirements of and the types of assistance available under state housing programs, and (7) providing information and advice concerning available federal and private financial assistance for all aspects of housing development.

(d) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority may provide a local housing partnership which has received an initial designation under subsection (c) of this section with a development designation under the Connecticut housing partnership program upon receipt of evidence satisfactory to the [commissioner] executive director of the authority that the local housing partnership has: (1) Examined and identified housing needs and opportunities in the community, (2) explored the availability of any state, municipal or other land that is suitable for the development of affordable housing, (3) reviewed applicable zoning regulations to determine whether such regulations restrict the development of affordable housing in the

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community and to identify any necessary changes to such regulations, (4) established priorities and developed a long-range plan to meet identified housing needs in the community consistent with regional housing needs, (5) established procedures for the development of a written proposal to achieve such priorities in accordance with said plan, and (6) started an activity, development or project designed to create additional affordable housing in the community. Upon such development designation: (A) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall give priority to any activity, project or development initiated or sponsored by the local housing partnership in providing any financial assistance pursuant to any program administered by the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority under the general statutes; (B) the Commissioner of Environmental Protection shall consider formation of a local housing partnership in a municipality as a primary factor in awarding any grant-in-aid for open space land under sections 7-131d to 7-131k, inclusive; (C) the Commissioner of Environmental Protection shall consider formation of a local housing partnership in a municipality as a primary factor in making any grants and loans for water quality projects under sections 22a-475 to 22a-483, inclusive. If the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority determines that a municipality has developed and is maintaining a balanced inventory of affordable housing, the municipality shall receive the same priority as a local housing partnership which has received a development designation under this subsection or the municipality in which such local housing partnership is formed.

(e) Upon the completion of the first activity, development or project initiated or sponsored by a local housing partnership under this section, the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority, upon receipt of satisfactory evidence of such completion,

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7768 shall provide a town-aid grant to the municipality in which the local 7769 housing partnership is formed in an amount equal to twenty-five per 7770 cent of the amount of the distribution to the municipality calculated 7771 under the provisions of part IIa of chapter 240 for the fiscal year in 7772 which the activity, development or project is completed. Such 7773 town-aid grant shall be paid to the municipality from the General 7774 Fund (1) in the fiscal year following the fiscal year in which the 7775 activity, development or project is completed, and (2) in each of the 7776 three fiscal years following the fiscal year in which such initial 7777 town-aid grant is paid, provided the [Commissioner of Economic and 7778 Community Development] executive director of the Connecticut 7779 Housing Finance Authority determines in each of such years that the 7780 local housing partnership and the municipality in which the local 7781 housing partnership is formed are actively engaged in the 7782 development of affordable housing within the municipality. Such 7783 town-aid grant shall not be included in the estimates compiled by the 7784 Secretary of the Office of Policy and Management pursuant to sections 4-71a and 4-71b. 7785

- (f) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority shall adopt [regulations, in accordance with the provisions of chapter 54] written procedures, in accordance with section 1-121, to carry out the purposes of subsections (a) to (d), inclusive, of this section.
- Sec. 140. Section 8-336m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- As used in this section the following terms shall have the following meanings, unless the context clearly indicates a different meaning or intent:
- 7796 (1) "Authority" means the Connecticut Housing Finance Authority.
- 7797 (2) "Commissioner" means the Commissioner of [Economic and] 7798 Community Development.

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- 7799 (3) "Department" means the Department of [Economic and] 7800 Community Development.
- 7801 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a 7802 municipality; (C) a housing authority; (D) a business corporation 7803 incorporated pursuant to chapter 601 or any predecessor statutes thereto or authorized to do business pursuant to said chapter 601 7804 7805 having as one of its purposes the construction, financing, acquisition, 7806 rehabilitation or operation of affordable housing, and having a 7807 certificate or articles of incorporation approved by the commissioner; 7808 (E) any partnership, limited partnership, limited liability company, 7809 joint venture, sole proprietorship, trust or association having as one of 7810 its purposes the construction, financing, acquisition, rehabilitation or 7811 operation of affordable housing; (F) the Connecticut Housing Finance 7812 Authority; (G) a municipal developer; (H) any community 7813 development financial institution; or (I) any combination thereof.
- 7814 (5) "Housing", "housing development" or "development" means a 7815 work or undertaking having as its primary purpose the provision of 7816 safe, well-designed and adequate housing and related facilities for low 7817 and moderate income families and persons and includes existing 7818 housing for low and moderate income families and persons and 7819 housing whose primary purpose is to provide dwelling 7820 accommodations for low and moderate income families and persons 7821 but has dwelling accommodations for others.
- 7822 (6) "Housing Trust Fund" or "fund" means the Housing Trust Fund 7823 created under section 8-3360.
- 7824 (7) "Housing Trust Fund program" or "program" means the housing 7825 trust fund program developed and administered under section 8-336p.
 - (8) "Low and moderate income families and persons" means families and persons whose income falls within the income levels set by the commissioner pursuant to regulations adopted under subsection (a) of section 8-336q, except that the commissioner may establish income levels up to and including one hundred twenty per cent of the area

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- median income, as determined by the United States Department of Housing and Urban Development.
- (9) "Municipal developer" means a municipality acting by and through its legislative body, except that in any town in which a town meeting or representative town meeting is the legislative body, "municipal developer" means the board of selectmen if such board is authorized to act as the municipal developer by the town meeting or representative town meeting.
- 7839 (10) "Secretary" means the Secretary of the Office of Policy and 7840 Management.
- 7841 (11) "State Bond Commission" means the commission established under section 3-20.
- 7843 (12) "Treasurer" means the State Treasurer and includes each successor in office or authority.
- Sec. 141. Section 8-336p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) There is established the Housing Trust Fund program which shall be developed and administered by the [Department of Economic and Community Development] Connecticut Housing Finance Authority. The purpose of the program is to: (1) Encourage the creation of housing for homeownership at a cost that will enable low and moderate income families to afford quality housing while paying no more than thirty per cent of gross household income on housing, (2) promote the rehabilitation, preservation and production of quality, well-designed rental and homeownership housing affordable to low and moderate income families or persons, (3) maximize the leveraging of state and federal funds by encouraging private sector investment in housing developments receiving assistance, (4) encourage housing that maximizes housing choices of residents, (5) enhance economic opportunity for low and moderate income individuals and their families, (6) promote the application of efficient land use that utilizes

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existing infrastructure and the conservation of open spaces, and (7) encourage the development of housing which aids the revitalization of communities.

- (b) Financial assistance shall be provided under subsection (a) of this section to eligible applicants, as defined in section 8-336m, for development of quality rental housing and homeownership for low and moderate income families or persons. The financial assistance made under the Housing Trust Fund program shall be paid from the Housing Trust Fund established under section 8-3360, and may be in the form of no interest and low interest loans, loan guarantees, grants and appraisal gap financings and other similar financings necessary to make rents or home prices affordable. Financial assistance provided under this section shall supplement (1) existing loan and tax credits programs available under state and federal law, and (2) grants, loans or financial assistance from any nonprofit or for-profit entity.
- (c) The resources of the program shall be made available, at least semiannually, on a competitive basis in accordance with the written program guidelines and criteria adopted pursuant to subsection (a) of section 8-336q.
- (d) The [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority may, with the approval of the Secretary of the Office of Policy and Management, solicit and accept contributions from private entities, nonprofit and for-profit corporations, philanthropic organizations and financial institutions, to support and expand the resources available through the Housing Trust Fund. All such funds shall be deposited in the Housing Trust Fund.
- (e) (1) Any contribution to the Housing Trust Fund made pursuant to subsection (d) of this section shall be distributed as designated by its contributor, except that not more than fifty per cent of the contribution may be designated. If no designation is specified, such funds shall be used by the commissioner to further the purposes of sections 8-336m to

- 7894 8-336q, inclusive.
- 7895 (2) In each fiscal year that the Housing Trust Fund has funds 7896 available for distribution, the [commissioner] executive director of the 7897 authority shall allocate from said fund three hundred thousand dollars 7898 for funding matching grants to be dedicated to funding purchases of 7899 primary residences pursuant to the provisions of sections 31-51ww to 7900 31-51eee, inclusive.
- 7901 (3) Any unexpended or unallocated amounts in the Housing Trust 7902 Fund for any fiscal year may be carried over to the succeeding fiscal 7903 year and adjustments may be made for short fiscal periods.
- (f) The [commissioner] <u>executive director of the authority</u> shall include in the report required pursuant to section 32-1m, an annual report concerning the activities for the prior fiscal year of the Housing Trust Fund and the Housing Trust Fund program and the efforts of the department to obtain private support for the Housing Trust Fund and the Housing Trust Fund program.
- Sec. 142. Section 8-367 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 7912 (a) For the purposes described in subsection (b) of this section, the 7913 State Bond Commission shall have the power from time to time to 7914 authorize the issuance of bonds of the state in one or more series and 7915 in principal amounts not exceeding in the aggregate one hundred 7916 thousand five hundred dollars.
- 7917 (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the [Department of Economic and Community Development] Connecticut Housing Finance Authority for the purpose of grants-in-aid made pursuant to section 8-365.
- 7922 (c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions

of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the [Commissioner of Economic and Community Development] executive director of the Connecticut Housing Finance Authority and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 143. Section 8-402 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

The state, acting by and through the [Department of Economic and Community Development] Connecticut Housing Finance Authority may enter into a contract with the [authority,] developer [,] or mortgagor of the authority and the authority may enter into a contract with a developer or mortgagor of the authority to provide state financial assistance in the form of rental subsidy certificates for each low-income unit in the project. Any commitment to provide such subsidy shall be an obligation of the state or the authority, as the case may be, for a period of not less than fifteen years, and the amount of such subsidy shall be equal to the difference between the amount of

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rent plus an allowance for heat and utilities not included in the rent approved by the [commissioner or the] executive director of the authority [, as the case may be,] and thirty per cent of the annual aggregate family income of the tenant residing in the low-income unit for each such unit on an annual basis. The rent charged for a lowincome unit may not be increased without the approval of the [commissioner or the] executive director of the authority. [, as the case may be.] The annual aggregate family income of a tenant for the year prior to the occupancy of a low-income unit by the tenant shall not exceed fifty per cent of the area median income, adjusted for family size, as determined by the [commissioner or the] executive director of the authority. [, as the case may be.] If such annual aggregate family income after occupancy exceeds seventy per cent of the area median income, adjusted for family size, the unit occupied by the tenant will no longer be considered a low-income unit and the next available unit will be rented to a tenant with an aggregate family income of less than fifty per cent of the area median income, adjusted for family size. No tenant residing in a project will receive financial assistance through a rental subsidy certificate under this section if the aggregate family income of the tenant in the prior year exceeds sixty per cent of the area median income, adjusted for family size.

Sec. 144. Section 8-403 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

Upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-20, the state, acting by and through the [Department of Economic and Community Development] Connecticut Housing Finance Authority may enter into a contract with the authority to provide state financial assistance to a mortgager of the authority in the form of a loan secured by a second mortgage for any housing project for which the authority has provided financial assistance in the form of a loan secured by a first mortgage; provided any such financial assistance to be funded with proceeds of bonds authorized by public or special acts effective on or after July 1, 1995, shall be provided as follows: Commencing October 1, 1995, upon

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preliminary approval of the State Bond Commission pursuant to the provisions of section 3-20, the state, acting by and through the [Department of Economic and Community Development] Connecticut Housing Finance Authority may provide a grant-in-aid [to the authority, for purposes of [permitting the authority to extend] extending state financial assistance to the developer or mortgagor of the authority in the form of a loan secured by a second mortgage for any housing project for which the authority has provided financial assistance in the form of a loan secured by a first mortgage. Such loan shall be made for the purpose of providing additional financing for the project. Any loan made under this section shall bear interest payable quarterly on the first days of January, April, July and October for the preceding calendar quarter, or at such other times as are determined by the authority at a rate determined by the State Bond Commission under subsection (t) of section 3-20 and shall be repayable in such installments as may be determined by the commissioner or the authority, as the case may be, within fifty years from the date of completion of the project. Loan repayments shall be paid to the State Treasurer and deposited in the General Fund.

Sec. 145. Section 10-373bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

There is established an account to be known as the "cultural heritage development account" which shall be a separate nonlapsing account within the General Fund. The account may contain any moneys required by law to be deposited in the account. The moneys in said account shall be allocated to a grant program administered by the Connecticut Humanities Council*, to provide funds for local institutions in the humanities, including but not limited to, libraries, museums and historical and cultural societies and associations. No such grant for technical assistance shall exceed ten thousand dollars, no such grant for planning or professional development shall exceed twenty-five thousand dollars, and no such grant for implementation shall exceed one hundred fifty thousand dollars. Each grant under this section shall be matched equally by the local institution, through an in-

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- 8026 kind contribution, monetary contribution, or any combination of an in-8027 kind or monetary contribution. In the case of an implementation grant 8028 in the amount of five thousand dollars or more, but less than twenty-8029 five thousand dollars, at least twenty-five per cent of the matching 8030 contribution by the local institution shall be from private sources. In 8031 the case of an implementation grant in the amount of twenty-five 8032 thousand dollars or more, at least fifty per cent of the matching 8033 contribution by the local institution shall be from private sources. The 8034 council* shall report to the joint standing committees of the General 8035 Assembly having cognizance of matters relating to appropriations and 8036 the Department of [Economic and] Community Development in 8037 December of each year concerning the grants made under the program 8038 and their purposes.
- Sec. 146. Section 10-416b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 8041 (a) As used in this section, the following terms shall have the 8042 following meanings unless the context clearly indicates another 8043 meaning:
- [(1) "Commission" means the Connecticut Commission on Culture and Tourism established pursuant to section 10-392;]
 - [(2)] (1) "Certified historic structure" means an historic commercial or industrial property that: (A) Is listed individually on the National or State Register of Historic Places, or (B) is located in a district listed on the National or State Register of Historic Places, and has been certified by the commission as contributing to the historic character of such district;
 - [(3)] (2) "Certified rehabilitation" means any rehabilitation of a certified historic structure for mixed residential and nonresidential uses consistent with the historic character of such property or the district in which the property is located as determined by regulations adopted by the commission;

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- 8057 (3) "Department" means the Department of Community 8058 Development;
- (4) "Owner" means any person, firm, limited liability company, nonprofit or for-profit corporation or other business entity which possesses title to an historic structure and undertakes the rehabilitation of such structure;
 - (5) "Placed in service" means that substantial rehabilitation work has been completed which would allow for issuance of a certificate of occupancy for the entire building or, in projects completed in phases, for individual residential units that are an identifiable portion of the building;
 - (6) "Qualified rehabilitation expenditures" means any costs incurred for the physical construction involved in the rehabilitation of a certified historic structure for mixed residential and nonresidential uses where at least thirty-three per cent of the total square footage of the rehabilitation is placed into service for residential use, excluding:

 (A) The owner's personal labor, (B) the cost of a new addition, except as required to comply with any provision of the State Building Code or the State Fire Safety Code, and (C) any nonconstruction cost such as architectural fees, legal fees and financing fees;
 - (7) "Rehabilitation plan" means any construction plans and specifications for the proposed rehabilitation of a certified historic structure in sufficient detail for evaluation by compliance with the standards developed under the provisions of subsections (b) to (d), inclusive, of this section; and
 - (8) "Substantial rehabilitation" or "substantially rehabilitate" means the qualified rehabilitation expenditures of a certified historic structure that exceed twenty-five per cent of the assessed value of such structure.
 - (b) (1) The [commission] <u>department</u> shall administer a system of tax credit vouchers within the resources, requirements and purposes of

this section for owners rehabilitating certified historic structures.

- (2) The credit authorized by this section shall be available in the tax year in which the substantially rehabilitated certified historic structure is placed in service. In the case of projects completed in phases, the tax credit shall be prorated to the substantially rehabilitated identifiable portion of the building placed in service. If the tax credit is more than the amount owed by the taxpayer for the year in which the substantially rehabilitated certified historic structure is placed in service, the amount that is more than the taxpayer's tax liability may be carried forward and credited against the taxes imposed for the succeeding five years or until the full credit is used, whichever occurs first.
- (3) Any credits allowed under this section that are provided to multiple owners of certified historic structures shall be passed through to persons designated as partners, members or owners, pro rata or pursuant to an agreement among such persons designated as partners, members or owners documenting an alternative distribution method without regard to other tax or economic attributes of such entity. Any owner entitled to a credit under this section may assign, transfer or convey the credits, in whole or in part, by sale or otherwise to any individual or entity and such transferee shall be entitled to offset the tax imposed under chapter 207, 208, 209, 210, 211 or 212 as if such transferee had incurred the qualified rehabilitation expenditure.
- (c) The commission shall develop standards for the approval of rehabilitation of certified historic structures for which a tax credit voucher is sought. Such standards shall take into account whether the rehabilitation of a certified historic structure will preserve the historic character of the building.
- (d) The [commission] <u>department</u> shall adopt regulations, in accordance with chapter 54, to carry out the purposes of this section. Such regulations shall include provisions for the filing of applications, rating criteria and for timely approval by the [commission]

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- (e) Prior to beginning any rehabilitation work on a certified historic structure, the owner shall submit (1) a rehabilitation plan to the [commission] department for a determination of whether or not such rehabilitation work meets the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, (2) an estimate of the qualified rehabilitation expenditures, and (3) for projects pursuant to subdivision (2) of subsection (f) of this section, (A) the number of units of affordable housing, as defined in section 8-39a, to be created, (B) the proposed rents or sale prices of such units, and (C) the median income for the municipality where the project is located. In the case of a project pursuant to subdivision (2) of subsection (f) of this section the owner shall submit a copy of data required under subdivision (3) of this subsection to the Department of Economic and Community Development.
 - (f) If the [commission] department certifies that the rehabilitation plan conforms to the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, the [commission] department shall reserve for the benefit of the owner an allocation for a tax credit equivalent to (1) twenty-five per cent of the projected qualified rehabilitation expenditures, or (2) for rehabilitation plans submitted pursuant to subsection (e) of this section on or after June 14, 2007, thirty per cent of the projected qualified rehabilitation expenditures if (A) at least twenty per cent of the units are rental units and qualify as affordable housing, as defined in section 8-39a, or (B) at least ten per cent of the units are individual homeownership units and qualify as affordable housing, as defined in section 8-39a. No tax credit shall be allocated for the purposes of this subdivision unless an applicant has submitted to the commission a certificate from the Department of Economic and Community Development pursuant to subsections (k) and (l) of this section confirming that the project complies with affordable housing requirements under section 8-39a.
 - (g) Following the completion of rehabilitation of a certified historic

structure, the owner shall notify the [commission] department that such rehabilitation has been completed. The owner shall provide the [commission] department with documentation of work performed on the certified historic structure and shall submit certification of the costs incurred in rehabilitating the certified historic structure. The [commission] department shall review such rehabilitation and verify compliance with the rehabilitation plan. Following such verification, the [commission] department shall issue a tax credit voucher to the owner rehabilitating the certified historic structure or to the taxpayer named by the owner as contributing to the rehabilitation. The tax credit voucher shall be in an amount equivalent to the lesser of the tax credit reserved upon certification of the rehabilitation plan under the provisions of subsection (f) of this section or (1) twenty-five per cent of the actual qualified rehabilitation expenditures, or (2) for projects including affordable housing pursuant to subdivision (2) of subsection (f) of this section, thirty per cent of the actual qualified rehabilitation expenditures. In order to obtain a credit against any state tax due that is specified in subsection (h) of this section, the holder of the tax credit voucher shall file the voucher with the holder's state tax return.

- (h) The Commissioner of Revenue Services shall grant a tax credit to a taxpayer holding the tax credit voucher issued under subsections (e) to (i), inclusive, of this section against any tax due under chapter 207, 208, 209, 210, 211 or 212 in the amount specified in the tax credit voucher. Such taxpayer shall submit the voucher and the corresponding tax return to the Department of Revenue Services.
- (i) The [commission] <u>department</u> may charge an application fee in an amount not to exceed ten thousand dollars to cover the cost of administering the program established pursuant to this section.
- (j) The aggregate amount of all tax credits which may be reserved by the [Commission on Culture and Tourism] <u>Department of Community</u> <u>Development</u> upon certification of rehabilitation plans under subsections (a) to (i), inclusive, of this section shall not exceed fifty

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million dollars for the fiscal three-year period beginning July 1, 2008, and ending June 30, 2011, inclusive, and each fiscal three-year period thereafter. No project may receive tax credits in an amount exceeding ten per cent of such aggregate amount.

- (k) On or before October 1, 2009, and annually thereafter, the [Commission on Culture and Tourism] department shall report the total amount of historic preservation tax credits and affordable housing tax credits reserved for the previous fiscal year under subsections (a) to (i), inclusive, of this section, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and to finance, revenue and bonding. Each such report shall include the following information for each project for which tax credit has been reserved: (1) The total project costs, (2) the value of the tax credit reservation for the purpose of historic preservation, (3) a statement whether the reservation is for mixed-use and if so, the proportion of the project that is not residential, and (4) the number of residential units to be created, and, for affordable housing reservations, the value of the reservation and percentage of residential units that will qualify as affordable housing, as defined in section 8-39a.
- (l) (1) If the total amount of such tax credits reserved in the first fiscal year of a fiscal three-year period is more than sixty-five per cent of the aggregate amount of tax credits reserved under subsections (a) to (i), inclusive, of this section, then no additional reservation shall be allowed for the second fiscal year of such fiscal three-year period unless the joint standing committees of the General Assembly having cognizance of matters relating to commerce and to finance, revenue and bonding each vote separately to authorize continuance of tax credit reservations under the program.
- (2) If the total amount of such credits reserved in the second year of a fiscal three-year period exceeds ninety per cent of the aggregate amount of tax credits reserved under subsections (a) to (i), inclusive, of this section, then no additional reservation shall be allowed for the

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- third fiscal year of such fiscal three-year period unless the joint standing committees of the General Assembly having cognizance of matters relating to commerce and to finance, revenue and bonding each vote separately to authorize the continuance of tax credit reservations under the program.
- 8224 (3) Any tax credit reservations issued before a suspension of 8225 additional tax credit reservations under subdivisions (1) and (2) of this 8226 subsection shall remain in place.
- Sec. 147. Section 10-425 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 8229 (a) [Not later than October 1, 2008, the executive director of the 8230 Connecticut Commission on Culture and Tourism shall establish a 8231 The Sports Advisory Board [within the commission that] shall advise 8232 the [executive director] Commissioner of Community Development on 8233 the most effective ways to utilize state resources to promote, attract 8234 and market in-state professional and amateur sports and sporting 8235 events. Such board shall also advise the [executive director] 8236 Commissioner of Community Development on ways to coordinate the 8237 use of state-owned facilities in order to enhance sports-related tourism 8238 in the state and develop methods for the dissemination of information 8239 concerning in-state professional and amateur sports and sporting 8240 events to residents of the state and the northeast.
 - (b) Such advisory board shall consist of one member from each of the following entities: (1) The University of Connecticut's Athletic Department; (2) the Connecticut State University System's Athletic Department; (3) the XL Center; (4) Northland AEG; (5) the Traveler's Championship Golf Tournament; (6) the Pilot Pen Tennis Tournament; (7) the Special Olympics; (8) the Mohegan Sun Arena; (9) Foxwoods Resort Casino; (10) Lime Rock Park Race Track; (11) the Arena at Harbor Yard; (12) New Britain Stadium; (13) the Connecticut Marine Trades Association; (14) the Office of Policy and Management; (15) [the Department of Economic and Community Development; (16)] the

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- 8251 Capital City Economic Development Authority; [(17)] (16) the Nutmeg
- 8252 State Games; [(18)] (17) the Connecticut Interscholastic Athletic
- 8253 Conference; [(19)] (18) Fairfield University; [(20)] (19) Quinnipiac
- 8254 University; [(21)] (20) Sacred Heart University; [(22)] (21) any other
- 8255 entity involved in sports or sporting events that the [executive
- 8256 director] commissioner deems appropriate; [(23)] (22) the Connecticut
- 8257 State Golf Association; and [(24)] (23) Dodd Stadium.
- 8258 (c) The [first meeting of the Sports Advisory Board shall convene
- not later than November 15, 2008, and the advisory board shall meet
- 8260 not less than once per calendar quarter thereafter. The advisory board
- 8261 shall provide any recommendations of the advisory board to the
- 8262 [executive director] commissioner not later than thirty days after any
- 8263 such meeting.
- 8264 (d) The members of the advisory board may select a chairperson
- 8265 from among its membership who shall be responsible for the
- 8266 scheduling and conducting of any such meeting.
- 8267 (e) The [Connecticut Commission on Culture and Tourism]
- 8268 Department of Community Development shall provide staff support to
- 8269 the board.
- 8270 (f) Not later than thirty days prior to each regular session of the
- 8271 General Assembly, the Jexecutive director of the Connecticut
- 8272 Commission on Culture and Tourism] Department of Community
- 8273 Development shall submit a report to the joint standing committee of
- 8274 the General Assembly having cognizance of matters relating to
- 8275 commerce that includes information on the status of the Sports
- 8276 Advisory Board's activities, the implementation of any
- 8277 recommendations of such advisory board and any legislative
- 8278 proposals related to such recommendations.
- Sec. 148. Section 10a-19f of the general statutes is repealed and the
- 8280 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 8281 (a) There is established a "You Belong" loan reimbursement grant

- program, administered by the Department of Higher Education, for graduates of doctoral programs who are employed in Connecticut in economically valuable fields.
- 8285 (b) Within available appropriations, the program shall provide 8286 student loan reimbursement grants for persons who (1) have been 8287 awarded a doctoral degree from any institution of higher education, 8288 and (2) are newly employed in Connecticut in an economically 8289 valuable field, as determined by the Department of [Economic and] 8290 Community Development, on or after January 1, 2006, by a company 8291 or an institution of higher education that has registered with or 8292 otherwise been qualified under the program by the Department of 8293 [Economic and] Community Development.
 - (c) Persons who qualify under subsection (b) of this section shall receive reimbursement grants on an annual basis for qualifying student loan payments in amounts as determined by the Commissioner of Higher Education. A person qualifying under subsection (b) of this section shall only be reimbursed for loan payments made while such person is employed in Connecticut by a qualifying company or in research at an institution of higher education in an economically valuable field. The Department of Higher Education shall develop eligibility requirements for recipients of such reimbursement grants in consultation with the Department of [Economic and] Community Development. Such requirements may include income guidelines. Persons may apply for grants to the Department of Higher Education at such time and in such manner as the Commissioner of Higher Education prescribes.
 - (d) Any unexpended funds appropriated for purposes of this section shall not lapse at the end of the fiscal year but shall be available for expenditure during the next fiscal year.
 - (e) The Department of Higher Education may use up to two per cent of the funds appropriated for purposes of this section for program administration, promotion and recruitment activities.

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Sec. 149. Section 12-3f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) There is established a Department of Revenue Services Small and Medium-Sized Business Users Committee. The committee shall consist of (1) the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, or their designees, (2) the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to the Department of [Economic and] Community Development, or their designees, (3) the Commissioner of Revenue Services, or his designee, (4) two members appointed by the Governor, (5) one member of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, who shall be appointed by the president pro tempore of the Senate, (6) one member of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations, who is also a member of the subcommittee having cognizance of matters relating to appropriations for the Department of Revenue Services and who shall be appointed by the speaker of the House of Representatives, (7) two representatives of small and medium-sized businesses, one of whom shall be appointed by the majority leader of the Senate and one of whom shall be appointed by the majority leader of the House of Representatives, (8) a certified public accountant, who shall be appointed by the majority leader of the Senate, (9) an attorney with expertise in tax law, who shall be appointed by the majority leader of the House of Representatives, (10) a representative of small and medium-sized businesses and a certified public accountant, who shall be appointed by the minority leader of the House of Representatives, and (11) a representative of small and medium-sized businesses and an attorney with expertise in tax law, who shall be appointed by the minority leader of the Senate. All appointments shall be made within thirty days after July 1, 1993. The commissioner shall call the initial meeting of the committee, at which the committee shall elect one of its

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8348 members to serve as chairperson.

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- 8349 (b) The committee shall advise and make recommendations to the 8350 Commissioner of Revenue Services concerning measures to improve 8351 the department's "user friendliness".
- 8352 Sec. 150. Subdivisions (59) and (60) of section 12-81 of the general 8353 statutes are repealed and the following is substituted in lieu thereof 8354 (*Effective July 1, 2009*):
 - (59) (a) Any manufacturing facility, as defined in section 32-9p, acquired, constructed, substantially renovated or expanded on or after July 1, 1978, in a distressed municipality, as defined in said section or in a targeted investment community, as defined in section 32-222, or in an enterprise zone designated pursuant to section 32-70 and for which an eligibility certificate has been issued by the Department of [Economic and] Community Development, and any manufacturing plant designated by the Commissioner of [Economic and] Community Development under subsection (a) of section 32-75c as follows: To the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the manufacturing facility is completed, except that a manufacturing facility having a standard industrial classification code of 2833 or 2834 and having at least one thousand full-time employees, as defined in subsection (f) of section 32-9j, shall be eligible to have the assessment period extended for five additional years upon approval of the commissioner, in accordance with all applicable regulations, provided such full-time employees have not been relocated from another facility in the state operated by the same eligible applicant;
 - (b) Any service facility, as defined in section 32-9p, acquired, constructed, substantially renovated or expanded on or after July 1, 1996, and for which an eligibility certificate has been issued by the Department of [Economic and] Community Development, as follows: (i) In the case of an investment of twenty million dollars or more but

not more than thirty-nine million dollars in the service facility, to the extent of forty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (ii) in the case of an investment of more than thirty-nine million dollars but not more than fifty-nine million dollars in the service facility, to the extent of fifty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (iii) in the case of an investment of more than fifty-nine million dollars but not more than seventy-nine million dollars in the service facility, to the extent of sixty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (iv) in the case of an investment of more than seventy-nine million dollars but not more than ninety million dollars in the service facility, to the extent of seventy per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; or (v) in the case of an investment of more than ninety million dollars in the service facility, to the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed, except that any financial institution, as defined in section 12-217u, having at least four thousand qualified employees, as determined in accordance with an agreement pursuant to subdivision (3) of subsection (n) of section 12-217u, shall be eligible to have the assessment period extended for five additional years upon approval of the commissioner, in accordance with all applicable regulations, provided such full-time employees have not been relocated from another facility in the state operated by the same eligible applicant. In no event shall the definition of qualified employee be more favorable

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to the employer than the definition provided in section 12-217u;

(c) The completion date of a manufacturing facility, manufacturing plant or a service facility will be determined by the Department of [Economic and] Community Development taking into account the issuance of occupancy certificates and such other factors as it deems relevant. In the case of a manufacturing facility, manufacturing plant or a service facility which consists of a constructed, renovated or expanded portion of an existing plant, the assessed valuation of the facility or manufacturing plant is the difference between the assessed valuation of the plant prior to its being improved and the assessed valuation of the plant upon completion of the improvements. In the case of a manufacturing facility, manufacturing plant or a service facility which consists of an acquired portion of an existing plant, the assessed valuation of the facility or manufacturing plant is the assessed valuation of the portion acquired. This exemption shall be applicable during each such assessment year regardless of any change in the ownership or occupancy of the facility or manufacturing plant. If during any such assessment year, however, any facility for which an eligibility certificate has been issued ceases to qualify as a manufacturing facility, manufacturing plant or a service facility, the entitlement to the exemption allowed by this subdivision shall terminate for the assessment year following the date on which the qualification ceases, and there shall not be a pro rata application of the exemption. Any person who desires to claim the exemption provided in this subdivision shall file annually with the assessor or board of assessors in the distressed municipality, targeted investment community or enterprise zone designated pursuant to section 32-70 in which the manufacturing facility or service facility is located, on or before the first day of November, written application claiming such exemption on a form prescribed by the Secretary of the Office of Policy and Management. Failure to file such application in this manner and form within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year, unless an extension of time is allowed pursuant to section 12-81k, and upon payment of the

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(60) (a) (1) Machinery and equipment which represents an addition to the assessment or grand list of the municipality in which this exemption is claimed and is installed in any manufacturing facility, as defined in section 32-9p, which facility is or has been constructed, or substantially renovated or expanded on or after July 1, 1978, in a distressed municipality or targeted investment community or enterprise zone designated pursuant to section 32-70 and for which an eligibility certificate has been issued by the Department of [Economic and Community Development, concurrently with and directly attributable to such construction, renovation or expansion, (2) machinery and equipment which represents an addition to the assessment or grand list of the municipality in which this exemption is claimed and is installed, or machinery and equipment existing, in any manufacturing facility, as defined in section 32-9p, which facility is or has been acquired on or after July 1, 1978, in a distressed municipality, targeted investment community or enterprise zone designated pursuant to section 32-70 and for which an eligibility certificate has been issued by the Department of [Economic and] Community Development, and (3) machinery and equipment acquired and installed on or after October 1, 1986, in a manufacturing facility that is or has at one time been certified as eligible for the exemption under this subparagraph in accordance with section 32-9r, and which continues to be used for manufacturing purposes, provided such machinery and equipment is installed in conjunction with an expansion program that satisfies the requirements for a manufacturing facility, as defined in section 32-9p, and is contiguous to and represents an increase in square feet of floor space of not less than fifty per cent of the floor space in the certified manufacturing facility, as follows: To the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years for which the manufacturing facility in which it is installed qualifies for an exemption under subdivision (59) of this section, except that a facility having a code classification 2833 or 2834 in the Standard Industrial Code Classification Manual, United States Office of Management and Budget, 1987 edition, wherein at least one thousand new full-time employees, as defined in subsection (f) of section 32-9j, are employed, shall be eligible to have the assessment period under this subdivision extended for five additional years upon approval of the commissioner, provided the commissioner approves an extension of the assessment period under subdivision (59) of this section for said facility;

(b) (1) Machinery and equipment which represents an addition to the assessment or grand list of the municipality in which this exemption is claimed and is installed in any service facility, as defined in section 32-9p, which facility is or has been constructed, or substantially renovated or expanded on or after July 1, 1996, and for which an eligibility certificate has been issued by the Department of [Economic and] Community Development, concurrently with and directly attributable to such construction, renovation or expansion, (2) machinery and equipment which represents an addition to the assessment or grand list of the municipality in which this exemption is claimed and is installed, or machinery and equipment existing, in any service facility, as defined in section 32-9p, which facility is or has been acquired on or after July 1, 1996, and for which an eligibility certificate has been issued by the department, and (3) machinery and equipment acquired and installed on or after July 1, 1996, in a service facility that is or has at one time been certified as eligible for the exemption under this subparagraph in accordance with section 32-9r and which continues to be used for service purposes, provided such machinery and equipment is installed in conjunction with an expansion program that satisfies the requirements for a service facility, as defined in section 32-9p, and is contiguous to and represents an increase in square feet of floor space of not less than fifty per cent of the floor space in the certified service facility, as follows: (i) In the case of an investment of twenty million dollars or more but not more than thirtynine million dollars in the service facility, to the extent of forty per cent of its valuation for purposes of assessment in each of the five full assessment years for which the service facility in which it is installed

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qualifies for an exemption under subdivision (59) of this section; (ii) in the case of an investment of more than thirty-nine million dollars but not more than fifty-nine million dollars in the service facility, to the extent of fifty per cent of its valuation for purposes of assessment in each of the five full assessment years for which the service facility in which it is installed qualifies for an exemption under subdivision (59) of this section; (iii) in the case of an investment of more than fifty-nine million dollars but not more than seventy-nine million dollars in the service facility, to the extent of sixty per cent of its valuation for purposes of assessment in each of the five full assessment years for which the service facility in which it is installed qualifies for an exemption under subdivision (59) of this section; (iv) in the case of an investment of more than seventy-nine million dollars but not more than ninety million dollars in the service facility, to the extent of seventy per cent of its valuation for purposes of assessment in each of the five full assessment years for which the service facility in which it is installed qualifies for an exemption under subdivision (59) of this section; or (v) in the case of an investment of more than ninety million dollars in the service facility, to the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years for which the service facility in which it is installed qualifies for an exemption under subdivision (59) of this section, except that any financial institution, as defined in section 12-217u, having at least four thousand qualified employees, as determined in accordance with an agreement pursuant to subdivision (3) of subsection (n) of section 12-217u, shall be eligible to have the assessment period extended for five additional years upon approval of the commissioner, in accordance with all applicable regulations, provided such full-time employees have not been relocated from another facility in the state operated by the same eligible applicant. In no event shall the definition of qualified employee be more favorable to the employer than the definition provided in section 12-217u;

(c) This exemption shall terminate for the assessment year next following if the manufacturing facility or service facility in which such

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machinery and equipment is installed no longer qualifies for an exemption under said subdivision (59), and there shall not be a pro rata application of the exemption of such machinery and equipment in the assessment year of such termination. Any person who desires to claim the exemption provided in this subdivision shall file annually with the assessor or board of assessors in the distressed municipality, targeted investment community or enterprise zone designated pursuant to section 32-70 in which the manufacturing facility or service facility is located, on or before the first day of November, written application claiming such exemption on a form prescribed by the Secretary of the Office of Policy and Management. Failure to file such application in this manner and form within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year, unless an extension of time is allowed pursuant to section 12-81k, and upon payment of the required fee for late filing. This exemption shall not apply to rolling stock.

Sec. 151. Subdivision (70) of section 12-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):

(70) (A) New machinery and equipment used directly in the manufacturing of goods or products and acquired through purchase by any business organization or any affiliate of such business organization as part of a technological upgrading of the manufacturing process at a location in a distressed municipality, targeted investment community, as defined in section 32-222, or enterprise zone designated pursuant to section 32-70, and for which an eligibility certificate has been issued by the Department of [Economic and] Community Development, which business organization (i) is engaged in the manufacturing, processing or assembling of raw materials, parts or manufactured products, (ii) has been in continuous operation in the state for a period not less than five years prior to claiming the exemption provided in this subdivision, (iii) had gross receipts in an amount less than twenty million dollars in the year prior to claiming the exemption provided in this subdivision, including receipts of any

affiliates of the business organization, and (iv) has incurred costs in acquiring such machinery and equipment not less than the greater of (I) two hundred thousand dollars, or (II) two hundred per cent of the business organization's and affiliate's average expenditure for the acquisition of machinery and equipment used directly in the manufacturing of goods or products at the location in the distressed municipality, targeted investment community or enterprise zone designated pursuant to section 32-70 during the three years prior to claiming the exemption provided in this subdivision, as follows: To the extent of fifty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which such machinery and equipment is acquired;

(B) Any person who desires to claim the exemption provided in this subdivision shall file annually with the assessor or board of assessors in the distressed municipality, targeted investment community or enterprise zone designated pursuant to section 32-70 in which the business organization is located, on or before the first day of November, written application claiming such exemption on a form prescribed by the Secretary of the Office of Policy and Management. Failure to file such application in this manner and form within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year, unless an extension of time is allowed pursuant to section 12-81k, and upon payment of the required fee for late filing. No person shall be eligible to receive the exemption provided in this subdivision if such exemption is sought for machinery and equipment located in a manufacturing facility, as defined in subsection (d) of section 32-9p, currently receiving assistance under subdivisions (59) and (60) of this section, and no person shall receive such exemption for eligible machinery or equipment at each location in distressed municipality, targeted investment community or enterprise zone designated pursuant to section 32-70 more than once in any continuous five-year period;

(C) The state and the municipality and district shall hold a security interest, as defined in subdivision (35) of subsection (b) of section 42a-

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1-201, in any machinery or equipment which is exempt from taxation pursuant to this subdivision, in an amount equal to the tax revenue reimbursed or lost, as the case may be, which shall be subordinate to any purchase money security interest, as defined in section 42a-9-103a. Such security interest shall be enforceable against the taxpayer for a period of five years after the last assessment year in which such exemption was received in any case in which the business organization ceases all business operations or moves its business operations entirely out of this state. Any assessor who has granted an exemption under this subdivision shall provide written notification to the secretary of the cessation of such operations or the move of such operations entirely out of this state. Such notification may be made at any time after the October first of the last assessment year in which such exemption is granted and before the September thirtieth that is five years after the conclusion of said assessment year. Upon receiving such notification and complying with the provisions of section 12-35a, the state shall have a lien upon the machinery or equipment situated in this state and owned by the person that ceased all business operations or moved such operations entirely out of this state. Notwithstanding the provisions of section 12-35a, the total amount of the reimbursement made by the state for the property tax exemptions granted to the person under the provisions of this subdivision, shall be deemed to be the amount of the tax which such person failed to pay. Notwithstanding said section 12-35a, the information required to be included in the notice of lien for said tax shall be as follows: (i) The owner of the property upon which the lien is claimed, (ii) the business address or residence address of such owner, (iii) the specific property claimed to be subject to such lien, (iv) the location of such property at the time it was last made tax-exempt pursuant to this subdivision, (v) the total amount of the reimbursement made by the state for the property tax exemptions granted to such owner under the provisions of this subdivision, and (vi) the tax period or periods for which such lien is claimed. If more than one agency of the state perfects such a notice of lien on the same day, the priority of such liens shall be determined by the time of day such liens were perfected, and if

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perfected at the same time, the lien for the highest amount shall have priority. In addition to the other remedies provided in this subdivision, the Attorney General, upon request of the secretary, may bring a civil action in a court of competent jurisdiction to recover the amount of tax revenue reimbursed by the state from any person who received an exemption under this subdivision.

- Sec. 152. Section 12-263m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) As used in this section: (1) "Eligible dry cleaning establishment" means any place of business engaged in the cleaning of clothing or other fabrics using tetrachlorethylene, Stoddard solvent or other chemicals or any place of business that accepts clothing or other fabrics to be cleaned by another establishment using such chemicals, (2) "gross receipts at retail" means the total amount accruing from dry cleaning services at retail, valued in money, without any deduction for the cost of the materials used, labor or service cost or any other expense, and (3) "eligible applicant" means (A) a business owner or operator of an eligible dry cleaning establishment, or (B) an owner of property that is occupied by an eligible dry cleaning establishment.
- (b) There shall be paid to the Commissioner of Revenue Services by each dry cleaning establishment a surcharge of one per cent of its gross receipts at retail for any dry cleaning service performed on or after January 1, 1995. Each such establishment shall register with the Commissioner of Revenue Services on forms prescribed by him. Each such establishment shall submit a return quarterly to the Commissioner of Revenue Services, applicable with respect to the calendar quarter beginning January 1, 1995, and each calendar quarter thereafter, on or before the last day of the month immediately following the end of each such calendar quarter, on a form prescribed by the commissioner, together with payment of the quarterly surcharge determined and payable in accordance with the provisions of this section. Whenever such surcharge is not paid when due, a penalty of ten per cent of the amount due or fifty dollars, whichever is

greater, shall be imposed, and such surcharge shall bear interest at the rate of one per cent per month or fraction thereof until the same is paid. The Commissioner of Revenue Services shall cause copies of a form prescribed for submitting returns as required under this section to be distributed to persons subject to the surcharge. Failure to receive such form shall not be construed to relieve anyone subject to the surcharge under this section from the obligations of submitting a return, together with payment of such surcharge within the time required. The provisions of sections 12-548 to 12-554, inclusive, and sections 12-555a and 12-555b shall apply to the provisions of this section in the same manner and with the same force and effect as if the language of said sections 12-548 to 12-554, inclusive, and sections 12-555a and 12-555b had been incorporated in full into this section and had expressly referred to the surcharge imposed under this section, except to the extent that any such provision is inconsistent with a provision of this section and except that the term "tax" shall be read as "dry cleaning establishment surcharge". Any moneys received by the state pursuant to this section shall be deposited into the account established pursuant to subsection (c) of this section.

- (c) There is established an account within the General Fund to be known as the "dry cleaning establishment remediation account". Said account shall contain any moneys required by law to be deposited in the account. Any balance remaining in the account at the end of any fiscal year shall be carried forward in the account for the fiscal year next succeeding. The account shall be used by the Department of [Economic and] Community Development for grants made to owners or operators of eligible dry cleaning establishments or owners of property on which an eligible dry cleaning establishment has been in operation for at least a year prior to the approval of the application.
- (d) The state, acting through the Commissioner of [Economic and] Community Development, shall use the dry cleaning establishment remediation account to provide grants to applicants for the purposes of the containment and removal or mitigation of environmental pollution resulting from the discharge, spillage, uncontrolled loss,

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seepage or filtration of chemical liquids or solid, liquid or gaseous products or hazardous wastes on or at the site of an eligible dry cleaning establishment or for measures undertaken to prevent such pollution which are approved by the Commissioner of Environmental Protection. In order to qualify for a grant under the provisions of this section an eligible applicant must demonstrate to the satisfaction of the Commissioner of [Economic and] Community Development that (1) the eligible dry cleaning establishment is using or has previously used, tetrachlorethylene or Stoddard solvent or other chemicals for the purpose of cleaning clothes or other fabrics, (2) the eligible dry cleaning establishment has been doing business at the site for a period of at least one year prior to the submission date or approval date of the application for assistance under this section, (3) the eligible dry cleaning establishment is not in arrears with regard to any tax levied by the state or any political subdivision of the state and the dry cleaning surcharge imposed by subsection (b) of this section, and (4) the eligible applicant is not in arrears with regard to any tax levied by the state or any political subdivision of the state. Any funds disbursed as a grant under this section shall not be subject to attachment in the satisfaction of any judgment against the recipient of such grant in any civil action.

(e) Notwithstanding the terms of any grant made under this section, an eligible applicant shall bear all the costs of such pollution that are less than ten thousand dollars. The Commissioner of [Economic and] Community Development may provide a grant of up to three hundred thousand dollars to the eligible applicant where the eligible applicant has provided said commissioner with documentation satisfactory to said commissioner that the services for which payment is sought have been or will be completed. No eligible applicant shall receive more than three hundred thousand dollars per eligible dry cleaning establishment. There shall be allocated to the Department of [Economic and] Community Development annually from the account, for administrative costs, an amount equal to five per cent of the maximum balance of the account in the preceding year or one hundred thousand

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- dollars, whichever is greater. In addition the account may be used (1) to provide grants to the Department of Environmental Protection for expenditures made investigating dry cleaning establishments, (2) to provide potable water whenever necessary, and (3) to conduct environmental site assessments.
- (f) Requests for grants shall be made to the Commissioner of [Economic and] Community Development. Any eligible applicant seeking a grant shall provide documentation supporting the need for the grant.
 - (g) Any dry cleaning establishment which unlawfully or intentionally discharges or spills any chemical liquids or solid, liquid or gaseous products or hazardous wastes shall not be eligible for a grant from the account.
 - (h) The Commissioner of [Economic and] Community Development shall establish procedures for distribution of the grants and shall adopt criteria to carry out the provisions of this section. Such criteria shall specify (1) who may apply for grants; (2) how establishments, whether owned or leased, will be determined to be eligible for grants; and (3) the costs for which grants may be made.
 - (i) The Commissioner of [Economic and] Community Development shall include in the report required pursuant to section 32-1m an annual report that shall include information as to the number of applications received, and the number and amounts of grants made, since the inception of the program, the names of the applicants, the time period between submission of an application and the decision to approve or deny the grant, which applications were approved and which applications were denied and the reasons for denial. Such report shall further include a recommendation as to whether the surcharge and the grant program established under this section should continue.
- Sec. 153. Subsection (a) of section 13b-38a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 8786 1, 2009):

(a) The Department of Transportation shall assist all employers in the state who employ or provide parking facilities for one hundred or more employees in one location, in establishing a commuter, trip-towork program. The Department of Transportation, working in coordination with the Office of Policy and Management, the Department of Environmental Protection and the Department of [Economic and] Community Development, shall provide to such employers information for commuting to work, which information shall include, but not be limited to, the following: (1) Schedules and types of available modes of public transportation in the employer's region; (2) maps and listings of state commuter parking lot locations; (3) estimates of cost savings to individual employees where determinable; (4) sources of available federal and state funds, including subsidies, to aid in the implementation of employee commuter, trip-to-work programs; (5) available tax incentives to employers for participation in such program; (6) lists of state, regional and local officials operating transit districts, who may assist the employer in such a program; and (7) literature, posters, pamphlets and cost savings charts. All employers in the state who employ or provide parking facilities to one hundred or more employees in one location, who wish to participate in a commuter, trip-to-work program, shall submit to the Department of Transportation on forms provided by the commissioner, the work schedules, residence addresses and usual mode of transportation of their employees. Following an employer's request for a commuter, trip-to-work program, the department, in conjunction with any other state agency having jurisdiction, shall render necessary assistance in the implementation of the program. Based upon information received from the employer and in the order received, the Department of Transportation shall furnish to such employers a proposed commuter, trip-to-work program for their employees. Said program shall include at no cost to the employer: (A) A computer matching of employees for potential carpool, vanpool and buspool services; (B) technical assistance to the employer in implementing carpools, vanpools and buspools and utilizing existing transit systems at the employer's work location.

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Sec. 154. Section 13b-51b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

- There shall be, within the Department of Transportation, a State Maritime Office which shall: (1) Be responsible for maritime operations, including the State Pier in New London, the Connecticut River ferries and such other operational responsibilities as shall be assigned to it; (2) serve as the Governor's principal maritime policy advisor; (3) serve as the liaison between the state and federal, local and private entities involved in maritime policy activities; (4) coordinate the state's maritime policy activities; (5) encourage year-round use of water-related industries; (6) work with the Department of [Economic and Community Development and other state, local and private entities to maximize the economic potential of Connecticut's ports and other maritime resources; (7) conduct necessary research and planning activities; (8) assess potential state investments in ports and other maritime facilities; (9) provide staff support to the Connecticut Maritime Commission, created in section 13b-51a; and (10) undertake such other responsibilities as may be assigned to it by the commissioner or the Governor.
- Sec. 155. Subsection (b) of section 13b-57d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):
- 8844 (b) As used in this subsection and sections 13b-57h to 13b-57k, 8845 inclusive, 13b-212d and 14-270e:
- 8846 (1) "TSB project" means any planning, capital or operating project recommended by the board in its strategy;
- (2) "Economic development plan" means a comprehensive plan describing (A) existing economic development projects, and (B) proposed economic development projects for which a letter of commitment has been issued by the Department of [Economic and] Community Development; and

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(3) "Economic development project" means any project, as defined in subsection (d) of section 32-23d, which is to be used or occupied by any person for (A) manufacturing, industrial, research, office or product warehousing or distribution purposes or hydroponic or aquaponic food production purposes and which the authority determines will tend to maintain or provide gainful employment, maintain or increase the tax base of the economy, or maintain, expand or diversify industry in the state, or (B) controlling, abating, preventing or disposing land, water, air or other environmental pollution, including without limitation thermal, radiation, sewage, wastewater, solid waste, toxic waste, noise or particulate pollution, except resources recovery facilities, as defined in section 22a-219a, used for the principal purpose of processing municipal solid waste and which are not expansions or additions to resources recovery facilities operating on July 1, 1990, or (C) the conservation of energy or the utilization of cogeneration technology or solar, wind, hydro, biomass or other renewable sources to produce energy for any industrial or commercial application, or (D) any other purpose which the authority determines will materially contribute to the economic base of the state by creating or retaining jobs, promoting the export of products or services beyond state boundaries, encouraging innovation in products or services, or otherwise contributing to, supporting or enhancing existing activities that are important to the economic base of the state.

Sec. 156. Section 13b-57e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

- (a) There is established the Connecticut Transportation Strategy Board, within the Office of Policy and Management for administrative purposes only, the members of which shall be appointed as follows:
- (1) Five members from the private sector who have expertise in transportation, business, finance or law as follows: (A) The Governor shall appoint one member, who shall be the chairperson, and whose first term shall expire on June 30, 2005, (B) the president pro tempore of the Senate shall appoint one member whose first term shall expire

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on June 30, 2004, (C) the speaker of the House of Representatives shall appoint one member whose first term shall expire on June 30, 2003, (D) the minority leader of the Senate shall appoint one member whose first term shall expire on June 30, 2003, and (E) the minority leader of the House of Representatives shall appoint one member whose first term shall expire on June 30, 2002;

(2) One member from each TIA, for which position the chairpersons of the board of the local planning agencies in such TIA, after consulting with the participants in such TIA, shall nominate, for consideration by the appointing authority, three individuals who live in such TIA and who have significant experience in and knowledge of local, regional and state governmental processes, including at least one chief elected official in a town in such TIA. If the chairpersons of the board of the local planning agencies in such TIA fail to nominate three qualifying individuals within one hundred eighty days of the expiration of the previous appointment term, the appointing authority may appoint an individual meeting the qualifications of this subdivision. Appointments shall be made as follows: (A) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to transportation shall appoint one member from the southeast corridor TIA, whose first term shall expire on June 30, 2002, (B) the president pro tempore of the Senate shall appoint one member from the I-91 corridor TIA, whose first term shall expire on June 30, 2003, provided, on and after July 1, 2006, subsequent appointments shall be from the I-84 corridor TIA, (C) the speaker of the House of Representatives shall appoint one member from the coastal corridor TIA, whose first term shall expire on June 30, 2004, (D) the majority leader of the Senate shall appoint one member from the I-395 corridor TIA, whose first term shall expire on June 30, 2005, and (E) the majority leader of the House of Representatives shall appoint one member from the I-84 corridor TIA, whose first term shall expire on June 30, 2005, provided, on and after July 1, 2006, subsequent appointments shall be from the I-91 corridor TIA; and

(3) The Commissioners of Transportation, Environmental

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- Protection, [Economic and] Community Development and Public Safety, and the Secretary of the Office of Policy and Management, or their respective designees.
 - (b) Upon the expiration of the term of a member of the board who is appointed as provided in subdivision (1) or (2) of subsection (a) of this section, each subsequent appointee to the board shall serve for a term of four years. No person shall serve as a member of the board for more than two consecutive terms. A vacancy in the position of an appointed board member shall be filled by the appointing authority for the remainder of the term.
- (c) The board may establish such subcommittees as it deems appropriate and appoint the members of such subcommittees from among its members. Ten members of the board shall be present to constitute a quorum.
- (d) The members of the board shall not be compensated for their service as members of the board.
 - (e) The board may issue guidelines for coordination and organization to the TIAs. These guidelines shall not constitute regulations, as defined in subdivision (13) of section 4-166.
 - (f) The Secretary of the Office of Policy and Management shall be responsible for staff support for the board. The secretary may utilize the staff of said office and, in consultation with the responsible agency head, the Department of Transportation, the Department of [Economic and] Community Development, or any other state agency for that purpose. Within available appropriations, the board may hire consultants with approval by the secretary, and such consultants shall be procured through the Office of Policy and Management or the Department of Transportation, as determined by the secretary.
 - (g) The Transportation Strategy Board is a public agency, as defined in section 1-200, for purposes of the Freedom of Information Act, and is a quasi-public agency, as defined in section 1-79, for purposes of

- 8951 chapter 10.
- Sec. 157. Subsection (c) of section 15-101pp of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):
- 8955 (c) The community advisory board shall have two core purposes: (1) 8956 To provide a regular communication vehicle between airport 8957 administrators and nearby towns on issues of concern to residents 8958 such as noise and traffic, and (2) to advise the Bradley Board of 8959 Directors on issues of transportation, land use, planning, zoning and 8960 economic development on land surrounding the airport or in close 8961 proximity to it. For the purposes of subdivision (2) of this subsection, 8962 there shall be a subcommittee, appointed by the community advisory 8963 board, made up of each town's manager or planner, together with 8964 representatives from regional organizations including: The Capital 8965 Region Council of Governments, Greater Hartford Growth Council, 8966 Springfield Regional Planning Agency and the Department of 8967 [Economic and] Community Development. The subcommittee shall 8968 work to develop new businesses around the airport and shall report to 8969 the community advisory board on a regular basis on its activities.
- Sec. 158. Subsection (h) of section 16-50j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):
 - (h) Prior to commencing any hearing pursuant to section 16-50m, the council shall consult with and solicit written comments from the Department of Environmental Protection, the Department of Public Health, the Council on Environmental Quality, the Department of Agriculture, the Department of Public Utility Control, the Office of Policy and Management, the Department of [Economic and] Community Development and the Department of Transportation. In addition, the Department of Environmental Protection shall have the continuing responsibility to investigate and report to the council on all applications which prior to October 1, 1973, were within the

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jurisdiction of [said] the Department of Environmental Protection with respect to the granting of a permit. Copies of such comments shall be made available to all parties prior to the commencement of the hearing. Subsequent to the commencement of the hearing, said departments and council may file additional written comments with the council within such period of time as the council designates. All such written comments shall be made part of the record provided by section 16-50o. Said departments and council shall not enter any contract or agreement with any party to the proceedings or hearings described in this section or section 16-50p, that requires said departments or council to withhold or retract comments, refrain from participating in or withdraw from said proceedings or hearings.

Sec. 159. Section 16a-35c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

- (a) As used in this section and sections 16a-35d to 16a-35g, inclusive:
- (1) "Funding" includes any form of assurance, guarantee, grant payment, credit, tax credit or other assistance, including a loan, loan guarantee, or reduction in the principal obligation of or rate of interest payable on a loan or a portion of a loan;
- (2) "Growth-related project" means any project which includes (A) the acquisition of real property when the acquisition costs are in excess of one hundred thousand dollars, except the acquisition of open space for the purposes of conservation or preservation; (B) the development or improvement of real property when the development costs are in excess of one hundred thousand dollars; (C) the acquisition of public transportation equipment or facilities when the acquisition costs are in excess of one hundred thousand dollars; or (D) the authorization of each state grant, any application for which is not pending on July 1, 2006, for an amount in excess of one hundred thousand dollars, for the acquisition or development or improvement of real property or for the acquisition of public transportation equipment or facilities, except the following: (i) Projects for maintenance, repair, additions or renovations

to existing facilities, acquisition of land for telecommunications towers whose primary purpose is public safety, parks, conservation and open space, and acquisition of agricultural, conservation and historic easements; (ii) funding by the Department of [Economic and] Community Development for any project financed with federal funds used to purchase or rehabilitate existing single or multi-family housing or projects financed with the proceeds of revenue bonds if the Economic Commissioner of and Community Development determines that application of this section and sections 16a-35d and 16a-35e (I) conflicts with any provision of federal or state law applicable to the issuance or tax-exempt status of the bonds or any provision of any trust agreement between the Department of [Economic and] Community Development and any trustee, or (II) would otherwise prohibit financing of an existing project or financing provided to cure or prevent any default under existing financing; (iii) projects that the Commissioner of [Economic and] Community Development determines promote fair housing choice and racial and economic integration as described in section 8-37cc; (iv) projects at an existing facility needed to comply with state environmental or health laws or regulations adopted thereunder; (v) school construction projects funded by the Department of Education under chapter 173; (vi) libraries; (vii) municipally owned property or public buildings used for government purposes; and (viii) any other project, funding or other state assistance not included under subparagraphs (A) to (D), inclusive, of this subdivision.

- (3) "Priority funding area" means the area of the state designated under subsection (b) of this section.
- (b) The Secretary of the Office of Policy and Management, in consultation with the Commissioners of [Economic and] Community Development, Environmental Protection, Public Works, Agriculture, Transportation, the chairman of the Transportation Strategy Board, the regional planning agencies in the state and any other persons or entities the secretary deems necessary shall develop recommendations for delineation of the boundaries of priority funding areas in the state

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and for revisions thereafter. In making such recommendations the secretary shall consider areas designated as regional centers, growth areas, neighborhood conservation areas and rural community centers on the state plan of conservation and development, redevelopment areas, distressed municipalities, as defined in section 32-9p; targeted investment communities, as defined in section 32-222; public investment communities, as defined in section 7-545, enterprise zones, designated by the Commissioner of [Economic and] Community Development under section 32-70, corridor management areas identified in the state plan of conservation and development and the principles of the Transportation Strategy Board approved under section 13b-57h. The secretary shall submit the recommendations to the Continuing Legislative Committee on State Planning and Development established pursuant to section 4-60d for review when the state plan of conservation and development is submitted to such committee in accordance with section 16a-29. The committee shall report its recommendations to the General Assembly at the time said state plan is submitted to the General Assembly under section 16a-30. The boundaries shall become effective upon approval of the General Assembly.

9069 Sec. 160. Subsection (a) of section 16a-41 of the general statutes is 9070 repealed and the following is substituted in lieu thereof (Effective July 1, 2009):

(a) Any public or private agency or organization administering an energy assistance program which is funded or administered, in whole or in part, by the state shall take simultaneous applications from applicants for all energy assistance programs and energy conservation loan, grant, audit or service programs which that agency or organization administers and for which an applicant may be eligible and shall provide the applicants with written summaries of all such programs administered by other agencies and organizations and for which an applicant may be eligible. Any public or private agency or organization administering an energy conservation loan, grant, audit or service program or renewable resources loan, grant or service

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9083 program which is funded or administered, in whole or in part, by the 9084 state shall provide applicants with written summaries of all other such 9085 programs in the state for which an applicant may be eligible. The 9086 Department of Social Services, in consultation with the Department of 9087 [Economic and] Community Development and the Department of 9088 Public Utility Control, shall adopt regulations in accordance with the 9089 provisions of chapter 54 to carry out the purposes of this subsection. 9090 Such regulations shall, without limitation, set forth requirements for 9091 the form and content of the summaries. The Department of Social 9092 Services shall be responsible for collecting and disseminating 9093 information on all such programs in the state to agencies and 9094 organizations administering the programs.

Sec. 161. Subsection (a) of section 17a-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):

(a) The department shall plan, create, develop, operate or arrange for, administer and evaluate a comprehensive and integrated state-wide program of services, including preventive services, for children and youths whose behavior does not conform to the law or to acceptable community standards, or who are mentally ill, including deaf and hearing impaired children and youths who are mentally ill, emotionally disturbed, substance abusers, delinquent, abused, neglected or uncared for, including all children and youths who are or may be committed to it by any court, and all children and youths voluntarily admitted to, or remaining voluntarily under the supervision of, the commissioner for services of any kind. Services shall not be denied to any such child or youth solely because of other complicating or multiple disabilities. The department shall work in cooperation with other child-serving agencies and organizations to provide or arrange for preventive programs, including, but not limited to, teenage pregnancy and youth suicide prevention, for children and youths and their families. The program shall provide services and placements that are clinically indicated and appropriate to the needs of the child or youth. In furtherance of this purpose, the department

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shall: (1) Maintain the Connecticut Juvenile Training School and other appropriate facilities exclusively for delinquents; (2) develop a comprehensive program for prevention of problems of children and youths and provide a flexible, innovative and effective program for the placement, care and treatment of children and youths committed by any court to the department, transferred to the department by other departments, or voluntarily admitted to the department; (3) provide appropriate services to families of children and youths as needed to achieve the purposes of sections 17a-1 to 17a-26, inclusive, 17a-28 to 17a-49, inclusive, and 17a-51; (4) establish incentive paid work programs for children and youths under the care of the department and the rates to be paid such children and youths for work done in such programs and may provide allowances to children and youths in the custody of the department; (5) be responsible to collect, interpret and publish statistics relating to children and youths within the department; (6) conduct studies of any program, service or facility developed, operated, contracted for or supported by the department in order to evaluate its effectiveness; (7) establish staff development and other training and educational programs designed to improve the quality of departmental services and programs, provided no social worker trainee shall be assigned a case load prior to completing training, and may establish educational or training programs for children, youths, parents or other interested persons on any matter related to the promotion of the well-being of children, or the prevention of mental illness, emotional disturbance, delinquency and other disabilities in children and youths; (8) develop and implement aftercare and follow-up services appropriate to the needs of any child or youth under the care of the department; (9) establish a case audit unit to monitor each area office's compliance with regulations and procedures; (10) develop and maintain a database listing available community service programs funded by the department; (11) provide outreach and assistance to persons caring for children whose parents are unable to do so by informing such persons of programs and benefits for which they may be eligible; and (12) collect data sufficient to identify the housing needs of children served by the department

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- 9152 and share such data with the Department of [Economic and] 9153 Community Development.
- 9154 Sec. 162. Subsection (c) of section 17b-337 of the general statutes is 9155 repealed and the following is substituted in lieu thereof (*Effective July* 9156 1, 2009):
- 9157 (c) The Long-Term Care Planning Committee shall consist of: (1) 9158 The chairpersons and ranking members of the joint standing and select 9159 committees of the General Assembly having cognizance of matters 9160 relating to human services, public health, elderly services and 9161 long-term care; (2) the Commissioner of Social Services, or the 9162 commissioner's designee; (3) one member of the Office of Policy and 9163 Management appointed by the Secretary of the Office of Policy and 9164 Management; (4) one member from the Department of Social Services 9165 appointed by the Commissioner of Social Services; (5) one member 9166 from the Department of Public Health appointed by the Commissioner 9167 of Public Health; (6) one member from the Department of [Economic 9168 and Community Development appointed by the Commissioner of 9169 [Economic and] Community Development; (7) one member from the 9170 Office of Health Care Access appointed by the Commissioner of 9171 Health Care Access; (8) one member from the Department of 9172 Developmental Services appointed by the Commissioner 9173 Developmental Services; (9) one member from the Department of 9174 Mental Health and Addiction Services appointed by the Commissioner 9175 of Mental Health and Addiction Services; (10) one member from the 9176 Department of Transportation appointed by the Commissioner of 9177 Transportation; (11) one member from the Department of Children and 9178 Families appointed by the Commissioner of Children and Families; 9179 and (12) the executive director of the Office of Protection and 9180 Advocacy for Persons with Disabilities or the executive director's 9181 designee. The committee shall convene no later than ninety days after 9182 June 4, 1998. Any vacancy shall be filled by the appointing authority. 9183 The chairperson shall be elected from among the members of the 9184 committee. The committee shall seek the advice and participation of 9185 any person, organization or state or federal agency it deems necessary

- 9186 to carry out the provisions of this section.
- 9187 Sec. 163. Section 17b-347e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9189 (a) The Commissioner of Social Services, in collaboration with the 9190 Commissioner of [Economic and] Community Development and the 9191 Housing Finance Connecticut Authority, shall establish 9192 demonstration project to provide subsidized assisted living services, as 9193 defined in section 19-13-D105 of the regulations of Connecticut state 9194 agencies, for persons residing in affordable housing, as defined in 9195 section 8-39a. The demonstration project shall be conducted in at least 9196 three municipalities to be determined by the Commissioner of Social 9197 Services. The demonstration project shall be limited to a maximum of 9198 three hundred subsidized dwelling units. Applicants for such 9199 subsidized assisted living services shall be subject to the same 9200 eligibility requirements as the Connecticut home care program for the 9201 elderly pursuant to section 17b-342.
 - (b) Not later than January 1, 1999, the Commissioner of Social Services shall enter into a memorandum of understanding with the Commissioner of [Economic and] Community Development and the Connecticut Housing Finance Authority. Such memorandum of understanding shall specify that (1) the Department of Social Services apply for a Medicaid waiver to secure federal financial participation to fund assisted living services, establish a process to select nonprofit and for-profit providers and determine the number of dwelling units in the demonstration project, (2) the Department of [Economic and] Community Development provide rental subsidy certificates pursuant to section 8-402 or rental assistance pursuant to section 8-119kk, and (3) the Connecticut Housing Finance Authority provide second mortgage loans for housing projects for which the authority has provided financial assistance in the form of a loan secured by a first mortgage pursuant to section 8-403 for the demonstration project. Not later than July 1, 1999, the Connecticut Housing Finance Authority shall issue a request for proposals for persons or entities interested in

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consistent with such demonstration project.

- (c) Nothing in this section shall be construed to prohibit a combination of unsubsidized dwelling units and subsidized dwelling units under the demonstration project within the same facility. Notwithstanding the provisions of section 8-402, the Department of [Economic and] Community Development may set the rental subsidy at any percentage of the annual aggregate family income and define aggregate family income and eligibility for subsidies in a manner
- 9228 Sec. 164. Subdivision (3) of subsection (f) of section 21-70 of the 9229 general statutes is repealed and the following is substituted in lieu 9230 thereof (*Effective July 1, 2009*):
- 9231 (3) Except as otherwise provided in subdivision (5) of this 9232 subsection, within one hundred twenty days after the notice provided 9233 for in subdivision (2) of this subsection has been mailed, any 9234 association representing twenty-five per cent or more of the units in 9235 the park, including an association formed after the issuance of the 9236 notice, may notify the owner of the park that it is interested in 9237 purchasing the mobile manufactured home park. A copy of such notice 9238 may be filed on the land records of the town in which the mobile 9239 manufactured home park is located. If such notice is given, except as 9240 otherwise provided in subdivision (5) of this subsection, the 9241 association shall have three hundred sixty-five days after the notice 9242 required in subdivision (2) of this subsection has been given to 9243 purchase the park through negotiation or the method set forth in 9244 subdivision (4) of this subsection. Upon the request of the association, 9245 the Department of [Economic and] Community Development shall 9246 assist the association in developing financing for the purchase of the 9247 park.
- 9248 Sec. 165. Section 21-84a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9250 (a) There is established, within the Department of Consumer

Protection, a Mobile Manufactured Home Advisory Council composed of fifteen members as follows: One member of the Connecticut Real Estate Commission, one employee of the Department of [Economic and] Community Development and one employee of the Connecticut Housing Finance Authority to be appointed by the Governor; an attorney-at-law specializing in mobile manufactured home matters to be appointed by the speaker of the House of Representatives; one town planner and one representative of the banking industry to be appointed by the Governor; three mobile manufactured home park owners, one to be appointed by the Governor, one to be appointed by the minority leader of the Senate and one to be appointed by the minority leader of the House of Representatives; a representative of the mobile manufactured home industry to be appointed by the majority leader of the House of Representatives; three mobile manufactured home park tenants or representatives of such tenants, each from different geographic areas of the state, one to be appointed by the Governor, one to be appointed by the president pro tempore of the Senate and one to be appointed by the majority leader of the Senate; a senior citizen, who is either a resident of a mobile manufactured home park or a representative of other senior citizens who reside in mobile manufactured home parks, and a representative of the Housing Advisory Committee to be appointed by the Governor. The mobile manufactured home park owners and the representative of the mobile manufactured home industry shall be appointed from a list submitted to the appointing authorities by the Connecticut Manufactured Housing Association or its successor, if such organization or successor exists. The mobile manufactured home park tenants or tenant representatives and the senior citizen shall be appointed from a list submitted to the appointing authorities by the Connecticut Manufactured Home Owners Alliance or its successor, if such organization or successor exists. The Governor shall appoint a chairperson from among the members of the council. Members shall serve for a term coterminous with the term of the Governor or until their successors are appointed, whichever is later. Any vacancy shall be filled by the appointing authority for the position which has become

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vacant. Members of the council shall not be compensated for their services. Any council member who fails to attend three consecutive meetings or who fails to attend fifty per cent of all meetings held during any calendar year shall be deemed to have resigned from office.

(b) The advisory council shall: Monitor the implementation of statutes and regulations affecting mobile manufactured homes, promote mobile manufactured homes in the state, conduct a public education program to improve public perception and local acceptance of mobile manufactured homes and promote them as affordable, decent, safe and sanitary housing, and study additional issues related to mobile manufactured homes.

Sec. 166. Subsection (a) of section 22-26cc of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2009):

(a) There is established within the Department of Agriculture a program to solicit, from owners of agricultural land, offers to sell the development rights to such land and to inform the public of the purposes, goals and provisions of this chapter. The commissioner, with the approval of the State Properties Review Board, shall have the power to acquire or accept as a gift, on behalf of the state, the development rights of any agricultural land, if offered by the owner. Notice of the offer shall be filed in the land records wherein the agricultural land is situated. If ownership of any land for which development rights have been offered is transferred, the offer shall be effective until the subsequent owner revokes the offer in writing. The state conservation and development plan established pursuant to section 16a-24 shall be applied as an advisory document to the acquisition of development rights of any agricultural lands. The factors to be considered by the commissioner in deciding whether or not to acquire such rights shall include, but not be limited to, the following: (1) The probability that the land will be sold for nonagricultural purposes; (2) the current productivity of such land and the likelihood of continued productivity; (3) the suitability of the land as to soil

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classification and other criteria for agricultural use; (4) the degree to which such acquisition would contribute to the preservation of the agricultural potential of the state; (5) any encumbrances on such land; (6) the cost of acquiring such rights; and (7) the degree to which such acquisition would mitigate damage due to flood hazards. Ownership by a nonprofit organization authorized to hold land for conservation and preservation purposes of land which prior to such ownership qualified for the program established pursuant to this section shall not be deemed to diminish the probability that the land will be sold for nonagricultural purposes. After a preliminary evaluation of such factors by the Commissioner of Agriculture, he shall obtain and review one or more fee appraisals of the property selected in order to determine the value of the development rights of such property. The commissioner shall notify the Department of Transportation, the Department of [Economic and] Community Development, the Department of Environmental Protection and the Office of Policy and Management that such property is being appraised. Any appraisal of the value of such land obtained by the owner and performed in a manner approved by the commissioner shall be considered by the commissioner in making such determination. The value development rights for all purposes of this section shall be the difference between the value of the property for its highest and best use and its value for agricultural purposes as determined by the commissioner. The use or presence of pollutants or chemicals in the soil shall not be deemed to diminish the agricultural value of the land or to prohibit the commissioner from acquiring the development rights to such land. The commissioner may purchase development rights for a lesser amount provided he complies with all factors for acquisition specified in this subsection and in any implementing regulations. In determining the value of the property for its highest and best use, consideration shall be given but not limited to sales of comparable properties in the general area, use of which was unrestricted at the time of sale.

Sec. 167. Section 22-455 of the general statutes is repealed and the

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9353 following is substituted in lieu thereof (*Effective July 1, 2009*):

There is established a Connecticut Seafood Advisory Council to assist in the promotion of Connecticut seafood products and examine market opportunities. The advisory council shall consist of one freshwater fish producer appointed by the Governor, two finfish, shellfish or lobster harvesters or representatives of harvester organizations appointed one each by the speaker and majority leader of the House of Representatives, two finfish, shellfish or lobster processors or representatives of processor organizations appointed one each by the minority leaders of the Senate and House of Representatives, one retailer serving restaurants or representing a restaurant organization appointed by the president pro tempore of the Senate, one member at-large appointed by the majority leader of the Senate, and four nonvoting members one of whom shall represent the Department of Environmental Protection, one the Department of [Economic and] Community Development and one the Department of Agriculture and one the Sea Grant Program at The University of Connecticut. The advisory council shall be within the Department of Agriculture.

- Sec. 168. Section 22a-1d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) Environmental impact evaluations and a summary thereof, including any negative findings shall be submitted for comment and review to the Council on Environmental Quality, the Department of Environmental Protection, the Connecticut Commission on Culture and Tourism, the Office of Policy and Management, the Department of [Economic and] Community Development in the case of a proposed action that affects existing housing, and other appropriate agencies, and to the town clerk of each municipality affected thereby, and shall be made available to the public for inspection and comment at the same time. The sponsoring agency shall publish forthwith a notice of the availability of its environmental impact evaluation and summary in a newspaper of general circulation in the municipality at least once a

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- week for three consecutive weeks and in the Environmental Monitor.
 The sponsoring agency preparing an environmental impact evaluation
 shall hold a public hearing on the evaluation if twenty-five persons or
 an association having not less than twenty-five persons requests such a
 hearing within ten days of the publication of the notice in the
 Environmental Monitor.
- 9392 (b) All comments received by the sponsoring agency and the 9393 sponsoring agency's responses to such comments shall be forwarded to 9394 the Secretary of the Office of Policy and Management.
- 9395 (c) All comments and responses so forwarded to the Secretary of the 9396 Office of Policy and Management shall be available for public 9397 inspection.
- 9398 Sec. 169. Section 22a-6r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - On or before July 1, 1997, and annually thereafter, the commissioner shall submit to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to environment and the Department of [Economic and] Community Development a report on the permitting efforts of the Department of Environmental Protection in the preceding state fiscal year. Such report shall include, but not be limited to: An identification of revenues received from permit application fees and any revenues derived from the processing of such applications as set forth in this chapter and the department's appropriation from the General Fund for permitting activities; the number and amount of permit applications received; the number of permit decisions issued and the number of permits pending; the number and amount of permit application fees refunded; the number of permit applications requiring alternative timely action schedules pursuant to section 22a-6g; and a summary of the significant improvements the department has made in its permitting programs.
- 9417 Sec. 170. Section 22a-241 of the general statutes is repealed and the

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9418 following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) There shall be established a municipal solid waste recycling program. The Commissioner of Environmental Protection, in consultation and coordination with the advisory council established under subsection (c) of this section, shall develop a plan for such program. The plan shall (1) be consistent with the state-wide solid waste management plan adopted pursuant to section 22a-228, (2) give priority in all parts of the plan to regional approaches to the recycling of solid waste, (3) provide for grants from the municipal solid waste recycling trust account established under subsection (d) of this section to municipalities, regional organizations representing municipalities or agencies or political subdivisions of the state representing municipalities for purposes which may include but shall not be limited to (A) the acquisition or lease of land, easements, structures, machinery and equipment, for solid waste recycling facilities, (B) the planning, design, construction and improvement of solid waste recycling facilities, (C) the purchase or lease of collection equipment and materials for municipalities and homeowners to carry out municipal recycling programs, and (D) the support and expansion of municipal solid waste recycling programs, (4) establish standards for municipalities which shall effect the maximum level of recycling and source separation, condition each grant to a municipality under subdivision (3) of this subsection on the adoption of such standards by the municipality and give priority in the making of such grants to municipalities which, on July 17, 1986, require residents and businesses to separate recyclables from solid waste, (5) provide for the development of intermediate centers for the processing of solid waste recyclables, giving priority to sites where waste-to-energy facilities are located or planned to be located, (6) provide for financial assistance from the municipal solid waste recycling trust account for the development of such centers, and (7) review existing contracts entered into by municipalities for the delivery of solid waste to waste-toenergy facilities and provide financial incentives to such municipalities for the coordination of such contracts with the municipal solid waste

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- (b) The Commissioner of Environmental Protection, in consultation with such advisory council, shall submit the plan developed under subsection (a) of this section to the Governor and the General Assembly not later than January 1, 1987, and, if the General Assembly adopts a resolution approving such plan, the commissioner shall implement the municipal solid waste recycling program not later than April 1, 1987, in accordance with the provisions of such plan, and the commissioner shall adopt regulations in accordance with the provisions of chapter 54 to carry out the purposes of such program. In implementing such program the commissioner shall utilize private recycling markets to the extent feasible.
- (c) There is established an advisory council to advise the Commissioner of Environmental Protection on implementation of the municipal solid waste recycling program. The advisory council may study any issue related to recycling, including composting and packaging. In any such study the advisory council may consult with persons with specific information related to the study. If it deems it appropriate, the advisory council shall recommend a list of materials that should be banned in the state. The advisory council shall consist of: The Secretary of the Office of Policy and Management, or his designee; the Commissioner of [Economic and] Community Development, or his designee; the Commissioner of Administrative Services, or his designee; the Commissioner of Transportation, or his designee; the chairman of the Connecticut Resources Recovery Authority, or his designee; one person appointed by the Connecticut Conference of Municipalities; one person appointed by the Council of Small Towns; one person representing a municipality having a population of not more than ten thousand to be appointed by the minority leader of the Senate, one person representing a municipality having a population of more than ten thousand but not more than fifty thousand to be appointed by the minority leader of the House of Representatives, one person representing a municipality having a population of more than fifty thousand but not more than one

hundred thousand to be appointed by the president pro tempore of the Senate, one person representing a municipality having a population of more than one hundred thousand to be appointed by the speaker of the House of Representatives; two members of the public, one of whom shall be appointed by the majority leader of the House of Representatives and one of whom shall be appointed by the majority leader of the Senate; two persons representing recycling industries, one of whom shall be appointed by the speaker of the House of Representatives and one by the minority leader of the House of Representatives; two persons representing the packaging industry, one of whom shall be appointed by the speaker of the House of Representatives and one of whom shall be appointed by the president pro tempore of the Senate; a trash hauler to be appointed by the speaker of the House of Representatives; one person representing an industry using recycled material, to be appointed by the president pro tempore of the Senate; one person representing an environmental organization to be appointed by the speaker of the House of Representatives; one person representing business and industry to be appointed by the minority leader of the House of Representatives, and a regional recycling coordinator to be appointed by the minority leader of the Senate, the cochairmen and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to the environment and four members of the General Assembly to be appointed as follows: One by the speaker of the House of Representatives, one by the president pro tempore of the Senate, one by the minority leader of the House of Representatives and one by the majority leader of the House of Representatives. The members of the task force shall elect a chairman, who shall be one of the members appointed by the speaker of the House of Representatives or by the president pro tempore of the Senate.

(d) There is established an account to be known as the "municipal solid waste recycling trust account". The municipal solid waste recycling trust account shall be an account of the Environmental Quality Fund. Notwithstanding any provision of the general statutes

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- to the contrary, any moneys required by law to be deposited in the account shall be deposited in the Environmental Quality Fund and credited to the municipal solid waste recycling trust account. Any balance remaining in said account at the end of any fiscal year shall be carried forward in said account for the fiscal year next succeeding.
- (e) The Commissioner of Environmental Protection may accept and receive on behalf of said account any available federal, state or private funds. Any such funds shall be deposited in the Environmental Quality Fund and credited to the municipal solid waste recycling account.
- (f) The proceeds of said account shall be applied to the municipal solid waste recycling program established under subsection (a) of this section, provided (1) not more than fifty thousand dollars shall be allocated, for the fiscal year ending June 30, 1987, to the Commissioner of Environmental Protection for the implementation of such program; (2) not more than two hundred thousand dollars shall be allocated for the expenses of the advisory council established under subsection (c) of this section; (3) not more than eight hundred thousand dollars shall be annually allocated to the Department of Environmental Protection for costs incurred in the administration of such program; (4) not more than four hundred thousand dollars shall be allocated to the Commissioner of Environmental Protection as follows: One hundred fifty thousand dollars shall be expended for marketing studies and market development of recycled products, two hundred thousand dollars shall be expended for the study of reuse or recycling of ash from resources recovery facilities and fifty thousand dollars shall be expended for the study required pursuant to section 17 of public act 88-231*; (5) not more than fifty thousand dollars shall be allocated to the Department of [Economic and] Community Development for the fiscal year ending June 30, 1989, for development of a plan required under section 32-1e; and (6) not more than one million dollars shall be allocated to the Department of Environmental Protection for public education on waste reduction and for recovered materials market development, including but not limited to, costs incurred for recycled

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9554 product promotion, technical assistance to recycling industries, 9555 recovered materials export assistance and for administrative costs. 9556 Funds allocated to the commissioner under subdivision (6) may be 9557 expended for any contract entered into pursuant to said subdivision 9558 (6) with the Commissioner of [Economic and] Community 9559 Development for development of the recovered materials market. Any 9560 funds deposited in the account pursuant to section 22a-234a which 9561 exceed the eight hundred thousand dollars allocated to the department 9562 under subdivision (3) of this subsection shall be distributed to 9563 municipalities, regional organizations representing municipalities, or 9564 agencies or political subdivisions of the state representing 9565 municipalities for competitive grants for recycling related purposes. 9566 Notwithstanding the provisions of this subsection, one million three 9567 hundred thousand dollars shall be allocated to the Department of 9568 Environmental Protection from the account for purposes of making a 9569 grant to the Southeast Connecticut Regional Resources Recovery 9570 Authority.

- 9571 Sec. 171. Subsection (b) of section 31-3b of the general statutes is 9572 repealed and the following is substituted in lieu thereof (*Effective July* 9573 1, 2009):
- 9574 (b) The Labor Commissioner is authorized to establish an 9575 interagency program coordinating committee to coordinate the 9576 application of all available resources for the purposes of this section. 9577 Said committee shall consist of representatives of various employment 9578 agencies within the Labor and training Department and 9579 representatives of the Department of Education and the Department of 9580 [Economic and] Community Development.
- 9581 Sec. 172. Section 31-3u of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9583 (a) The Commissioner of [Economic and] Community Development 9584 may allocate the funds authorized for the purposes of this section by 9585 subsection (b) of section 32-235 to the Labor Commissioner for the

- 9586 purpose of providing assistance to employers (1) for the job training or 9587 retraining of (A) current employees or (B) prospective employees in 9588 newly-created jobs and (2) including, but not limited to, meeting ISO 9589 9000 quality standards. The Labor Commissioner, upon the 9590 recommendation of the Commissioner of [Economic and] Community 9591 Development, shall provide for such training or retraining through 9592 customized job training programs authorized under this chapter. The 9593 Labor Commissioner may use vouchers for the purposes of this 9594 subsection.
- 9595 (b) The Labor Commissioner and the Commissioner of [Economic 9596 and Community Development shall jointly develop criteria for the 9597 evaluation and assessment of the assistance provided under subsection (a) of this section.
- 9599 (c) The Labor Commissioner, in consultation with the Commissioner 9600 of [Economic and] Community Development, shall submit an annual 9601 report to the joint standing committees of the General Assembly 9602 having cognizance of matters relating to the Department of [Economic 9603 and Community Development and the Labor Department on the 9604 assistance provided under subsection (a) of this section.
- 9605 Sec. 173. Section 31-3dd of the general statutes is repealed and the 9606 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9607 The Connecticut Employment and Training Commission, in 9608 consultation with the Labor Department, the Department of [Economic 9609 Community Development and the regional workforce 9610 development boards, shall recommend to the Office of Policy and 9611 Management and the joint standing committee of the General 9612 Assembly having cognizance of matters relating to appropriations, 9613 budget targets for assisting state employers with their training needs.
- 9614 Sec. 174. Section 31-362g of the general statutes is repealed and the 9615 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9616 (a) As used in this section, "defense contract" includes any contract

9617 for the production or manufacture of weapons or other defense 9618 equipment to be used by the military or naval forces of this state or the 9619 States, "defense contractor" means any contractor, 9620 subcontractor, manufacturer or service company which is a party to a 9621 defense contract and has agreed to produce or manufacture weapons 9622 or defense equipment under such contract and "value" means gross 9623 value.

(b) Each defense contractor which (1) performs one or more defense contracts in this state, the combined value of which exceeds one million dollars in any one year, and (2) after October 1, 1994, is the recipient of state assistance or other funds from the Department of [Economic and] Community Development or from a contract administered by the Department of Community Development shall establish an alternative use committee. The committee shall consist of representatives of employees and employers. The employees of such contractor who are represented by a collective bargaining organization shall be represented on such committee by a representative of such organization. The employees of such contractor who are not represented by a collective bargaining organization shall designate a person to serve as their representative. The committee may invite representatives of the community to participate in committee meetings. The committee shall prepare a plan to reduce or eliminate the dependence of the contractor on defense contracts. The plan shall include: (A) Alternative products that are feasible to produce and marketable; and (B) retraining resources needed to produce such products in order to avoid dislocation of the current workforce. The Labor Commissioner shall adopt regulations pursuant to chapter 54 to administer the establishment and composition of alternate use committees and the committee's duty to establish plans pursuant to this subsection.

- 9647 Sec. 175. Section 10-392 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9649 (a) The General Assembly finds and declares that culture, history,

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- 9650 the arts and the digital media and motion picture and tourism 9651 industries contribute significant value to the vitality, quality of life and 9652 economic health of Connecticut. [and therefore there is established the 9653 Connecticut Commission on Culture and Tourism.] The Connecticut 9654 Humanities Council and the Connecticut Trust for Historic 9655 Preservation shall operate in conjunction with the [commission] 9656 Department of Community Development for purposes of joint 9657 strategic planning, annual reporting on appropriations and fiscal 9658 reporting. The [purpose of the commission] department shall [be to] 9659 enhance and promote culture, history, the arts and the tourism and 9660 digital media and motion picture industries in Connecticut.
- 9661 (b) The [commission] <u>department</u> shall:
 - (1) Market and promote Connecticut as a destination for leisure and business travelers through the development and implementation of a strategic state-wide marketing plan and provision of visitor services to enhance the economic impact of the tourism industry;
- 9666 (2) Promote the arts;

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- 9667 (3) Recognize, protect, preserve and promote historic resources;
- 9668 (4) Interpret and present Connecticut's history and culture;
- 9669 (5) Promote Connecticut as a location in which to produce digital 9670 media and motion pictures and to establish and conduct business 9671 related to the digital media and motion picture industries to enhance 9672 these industries' economic impact in the state;
 - (6) Beginning with the fiscal year ending June 30, 2006, and each fiscal year thereafter, prepare and submit to the Office of Policy and Management, in accordance with sections 4-77 and 4-77a, budget expenditure estimates and recommended adjustments for the next succeeding fiscal year or years and a detailed accounting of expenditures for the prior fiscal year, a copy of which shall be submitted to the General Assembly, in accordance with the provisions

- 9680 of section 11-4a;
- 9681 (7) Establish a uniform financial reporting system and forms to be 9682 used by each regional tourism district, established under section 10-
- 9683 397, in the preparation of the annual budget submitted to the General
- 9684 Assembly;
- 9685 (8) Integrate funding and programs whenever possible; and
- 9686 (9) On or before January 1, 2005, and biennially thereafter, develop 9687 and submit to the Governor and the General Assembly, in accordance 9688 with section 11-4a, a strategic plan to implement subdivisions (1) to (5), 9689 inclusive, of this subsection.
- 9690 (c) Any proposals for projects under the jurisdiction of the 9691 [commission] department and projects proposed by the Connecticut 9692 Humanities Council that require funding through the issuance of 9693 bonds by the State Bond Commission, in accordance with sections 13b-9694 74 to 13b-77, inclusive, shall be submitted to the [Connecticut 9695 Commission on Culture and Tourism] Department of Community 9696 Development. The [commission] department shall review such 9697 proposals and submit any project that it believes has merit to the joint 9698 standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding with the 9699
- 9701 (d) The [Connecticut Commission on Culture and Tourism]
 9702 <u>Department of Community Development</u> shall be a successor agency
 9703 to the State Commission on the Arts, the Connecticut Historical
 9704 Commission, the Office of Tourism, the Connecticut Tourism Council,
 9705 the Connecticut Film, Video and Media Commission and the
 9706 Connecticut Film, Video and Media Office in accordance with the
 9707 provisions of sections 4-38d and 4-39.

[commission's] department's recommendation for funding.

9708 [(e) Wherever the words "State Commission on the Arts", 9709 "Connecticut Historical Commission", "Office of Tourism", 9710 "Connecticut Film, Video and Media Office" and "Connecticut

- 9711 Commission on Arts, Tourism, Culture, History and Film" are used in
- 9712 the following sections of the general statutes, or in any public or
- 9713 special act of the 2003 or 2004 session the words "Connecticut
- 9714 Commission on Culture and Tourism" shall be substituted in lieu
- 9715 thereof: 3-110f, 3-110h, 3-110i, 4-9a, 4b-53, 4b-60, 4b-64, 4b-66a, 7-147a,
- 9716 7-147b, 7-147c, 7-147j, 7-147p, 7-147q, 7-147y, 8-2j, 10-382, 10-384, 10-
- 9717 385, 10-386, 10-387, 10-388, 10-389, 10-391, 10a-111a, 10a-112, 10a-112b,
- 9718 10a-112g, 11-6a, 12-376d, 13a-252, 19a-315b, 19a-315c, 22a-1d, 22a-19b,
- 9719 25-102qq, 25-109q, 29-259 and 32-6a.]
- 9720 [(f)] (e) The Legislative Commissioners' Office shall, in codifying the
- 9721 provisions of this section, make such technical, grammatical and
- 9722 punctuation changes as are necessary to carry out the purposes of this
- 9723 section.
- 9724 Sec. 176. Section 10-393 of the general statutes is repealed and the
- 9725 following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9726 [(a) The Connecticut Commission on Culture and Tourism shall
- 9727 consist of thirty-five voting commissioners and nonvoting ex-officio
- 9728 members. Such ex-officio members shall be the executive directors of
- 9729 the Connecticut Trust for Historic Preservation and the Connecticut
- 9730 Humanities Council, the State Poet Laureate, the State Historian and
- 9731 the State Archaeologist. The State Poet Laureate, the State Historian
- 9732 and the State Archaeologist shall serve as commissioners without
- 9733 being appointed and without receiving compensation for such service.
- 9734 The remaining thirty commissioners shall be appointed as follows:
- 9735 (1) The Governor shall appoint eight commissioners: (A) One
- 9736 commissioner shall be an individual with knowledge of and
- 9737 experience in the tourism industry from within the state; (B) three
- 9738 commissioners shall be individuals with knowledge of or experience
- 9739 or interest in history or humanities; (C) one commissioner shall be an
- 9740 individual with knowledge of or experience or interest in the arts; (D)
- 9741 one commissioner shall be an individual with experience relating
- 9742 directly to the production of digital media or motion pictures; and (E)

- 9743 two commissioners shall be selected at large.
- (2) The speaker of the House of Representatives shall appoint four commissioners: (A) One commissioner shall be an individual with knowledge of and experience in the tourism industry from the southwestern tourism district, established under section 10-397; (B) one commissioner shall be an individual with knowledge of or experience or interest in history or humanities; (C) one commissioner shall be an individual with knowledge of or experience or interest in the arts; and (D) one commissioner shall be an individual with experience relating directly to the production of digital media or motion pictures.
 - (3) The president pro tempore of the Senate shall appoint four commissioners: (A) One commissioner shall be an individual with knowledge of and experience in the tourism industry from the central tourism district, established under section 10-397; (B) one commissioner shall be an individual with knowledge of or experience or interest in history or humanities; (C) one commissioner shall be an individual with knowledge of or experience or interest in the arts; and (D) one commissioner shall be an individual with experience relating directly to the production of digital media or motion pictures.
 - (4) The majority leader of the House of Representatives shall appoint three commissioners: (A) One commissioner shall be an individual with knowledge of and experience in the tourism industry from the south central tourism district, established under section 10-397; (B) one commissioner shall be an individual with knowledge of or experience or interest in the arts; and (C) one commissioner shall be an individual with experience relating directly to the production of digital media or motion pictures.
 - (5) The majority leader of the Senate shall appoint three commissioners: (A) One commissioner shall be an individual with knowledge of and experience in the tourism industry from the eastern tourism district; (B) one commissioner shall be an individual with

- knowledge of or experience or interest in the arts; and (C) one commissioner shall be an individual with experience relating directly to the production of digital media or motion pictures.
- (6) The minority leader of the House of Representatives shall appoint four commissioners: (A) One commissioner shall be an individual with knowledge of and experience in the tourism industry from within the state; (B) one commissioner shall be an individual with knowledge of or experience or interest in history or humanities; (C) one commissioner shall be an individual with knowledge of or experience or interest in the arts; and (D) one commissioner shall be an individual with experience relating directly to the production of digital media or motion pictures.
- (7) The minority leader of the Senate shall appoint four commissioners: (A) One commissioner shall be an individual with knowledge of and experience in the tourism industry from the northwestern tourism district, established under section 10-397; (B) one commissioner shall be an individual with knowledge of or experience or interest in history or humanities; (C) one commissioner shall be an individual with knowledge of or experience or interest in the arts; and (D) one commissioner shall be an individual with experience relating directly to the production of digital media or motion pictures.
- (b) Each commissioner shall serve a term that is coterminous with such commissioner's appointing authority.
- (c) The commission shall have an executive director, appointed by the Governor in accordance with the provisions of chapter 46, who shall administer the commission in accordance with subsection (e) of this section. The voting commissioners shall elect annually: A commissioner from among the voting commissioners to serve as chairperson of the commission, one commissioner as vice-chairperson, and other commissioners as officers. Such commissioners shall establish bylaws as necessary for the operation of the commission. Commissioners shall receive no compensation for the performance of

their duties, but may be reimbursed for their necessary expenses incurred in the performance of their duties. The commission shall meet at least once during each calendar quarter and at such other times as the chairperson deems necessary or upon the request of a majority of commissioners in office.

- (d) Thirteen voting commissioners of the board shall constitute a quorum and the affirmative vote of a majority of the voting commissioners present at a meeting of the commission shall be sufficient for any action taken by the commission. No vacancy of a commissioner shall impair the right of a quorum to exercise all the rights and perform all the duties of the commission. Any action taken by the commission may be authorized by resolution at any regular or special meeting and shall take effect immediately unless otherwise provided in the resolution.]
- **I**(e) The executive director of the commission shall administer the commission, subject to the supervision of the commissioners.] The [executive director] Commissioner of Community Development shall have the authority to administer all laws under the jurisdiction of [the commission] this chapter and the power and authority to: [Coordinate and direct the operation of the commission; establish rules for the internal operation of the commission; contract Contract for facilities, services and programs to implement the purposes of the [commission established by law] chapter; and enter into agreements for funding from private sources, including corporate donations and other commercial sponsorships. The [executive director is authorized to] commissioner may do all things necessary to apply for, qualify for and accept any funds made available under any federal act for the purposes established under section 10-392. All funds received under this subsection shall be deposited into the [Connecticut Commission on] Culture and Tourism account, established under section 10-395. The [executive director] commissioner may enter into contracts with the federal government concerning the use of such funds.
 - Sec. 177. Section 10-394 of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2009*):

- (a) On or before June first of each year, each regional tourism district established under section 10-397 shall prepare a proposed budget for the next succeeding fiscal year beginning July first to carry out its statutory duties. After approval by said tourism district's board of directors, and no later than June first of each year, the tourism district shall submit the proposed budget to the [executive director of the Commission on Culture and Tourism] Commissioner of Community Development for review. comments and recommendations [by the commission] concerning the proposed expenditures. The [commission] commissioner shall review, in consultation with the tourism district, the proposed budget no later than June thirtieth, and approve or disapprove the budget. If the commission disapproves any annual budget, the [commission] commissioner shall adopt an interim budget and such interim budget shall take effect at the commencement of the fiscal year and shall remain in effect until the tourism district submits and the [commission] commissioner approves a modified budget. The tourism district shall, on or before September fifteenth, submit a copy of the budget to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations, finance, revenue and bonding and commerce and the Office of Policy and Management, including an explanation detailing the proposed expenditures for the tourism district for the succeeding fiscal year. No funds shall be expended by the tourism district without prior approval of the budget or adoption of an interim budget by the [Commission on Culture and Tourism] commissioner.
- (b) Each regional tourism district shall ensure that no more than twenty per cent of the total annual grant amount received by it pursuant to section 10-398 is used for administrative costs. The [executive director, with the approval of the commissioners,] commissioner shall develop guidelines concerning administrative costs for tourism districts.

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9873 Sec. 178. Section 10-395 of the general statutes is repealed and the 9874 following is substituted in lieu thereof (*Effective July 1, 2009*): 9875 There is established an account within the General Fund to be 9876 known as the ["Connecticut Commission on Culture] "Culture and 9877 Tourism account". The account shall contain all moneys required by 9878 law to be deposited in the account, including moneys received 9879 pursuant to section 10-398. 9880 Sec. 179. Section 10-396 of the general statutes is repealed and the 9881 following is substituted in lieu thereof (*Effective July 1, 2009*): 9882 With respect to tourism activities, the [Connecticut Commission on 9883 Culture and Tourism] Commissioner of Community Development 9884 shall: 9885 (1) Develop, annually update and implement a strategic marketing 9886 plan for the national and international promotion of Connecticut as a tourism destination; 9887 9888 (2) Develop a Connecticut strategic plan for new tourism products 9889 and attractions; 9890 (3) Provide marketing and other assistance to the tourism industry; 9891 (4) Ensure cooperation among the regional tourism districts; 9892 (5) Maintain, operate and manage the visitor welcome centers in the 9893 state; 9894 (6) Develop and administer a program of challenge grants to 9895 encourage innovation and job development, provide incentives for 9896 coordinated activity consistent with the strategic marketing plan and 9897 stimulate the development of private funds for tourism promotion; 9898 and

tourist attractions within such municipalities or within neighboring or

(7) Subject to available funds, assist municipalities to accommodate

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- 9901 adjoining municipalities.
- 9902 Sec. 180. Section 10-397 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- (a) There are established five regional tourism districts, each of which shall promote and market districts as regional leisure and business traveler destinations to stimulate economic growth. The districts shall be as follows:
- 9908 (1) The eastern regional district, which shall consist of Ashford, 9909 Bozrah, Brooklyn, Canterbury, Chaplin, Colchester, Columbia, 9910 Coventry, East Lyme, Eastford, Franklin, Griswold, Groton, Hampton, 9911 Killingly, Lebanon, Ledyard, Lisbon, Lyme, Mansfield, Montville, New 9912 London, North Stonington, Norwich, Old Lyme, Plainfield, Pomfret, 9913 Preston, Putnam, Salem, Scotland, Sprague, Sterling, Stonington, 9914 Thompson, Union, Voluntown, Waterford, Willington, Windham and 9915 Woodstock;
- 9916 (2) The central regional district, which shall consist of Andover, 9917 Avon, Berlin, Bloomfield, Bolton, Canton, Chester, Cromwell, Deep 9918 River, East Granby, East Haddam, East Hampton, East Hartford, East Windsor, Ellington, Enfield, Essex, Farmington, Glastonbury, Granby, 9919 9920 Haddam, Hartford, Hebron, Manchester, Marlborough, Meriden, 9921 Middletown, New Britain, Newington, Old Saybrook, Plainville, 9922 Portland, Rocky Hill, Somers, South Windsor, Southington, Simsbury, 9923 Stafford, Suffield, Tolland, Vernon, Windsor Locks, West Hartford, 9924 Westbrook, Wethersfield and Windsor;
- 9925 (3) The northwestern regional district, which shall consist of 9926 Ansonia, Barkhamsted, Beacon Falls, Bethel, Bethlehem, Bridgewater, Burlington, Canaan, Colebrook, Cornwall, 9927 Bristol, Brookfield, 9928 Danbury, Derby, Goshen, Hartland, Harwinton, Kent, Litchfield, 9929 Middlebury, Morris, Naugatuck, New Fairfield, New Hartford, New 9930 Milford, Newtown, Norfolk, North Canaan, Oxford, Plymouth, 9931 Prospect, Redding, Ridgefield, Roxbury, Salisbury, Seymour, Sharon, 9932 Sherman, Southbury, Thomaston, Torrington, Warren, Washington,

- 9933 Waterbury, Watertown, Winchester, Wolcott and Woodbury;
- 9934 (4) The south central regional district, which shall consist of
- 9935 Bethany, Branford, Cheshire, Clinton, Durham, East Haven, Guilford,
- 9936 Hamden, Killingworth, Madison, Middlefield, Milford, Orange, New
- 9937 Haven, North Branford, North Haven, Wallingford, West Haven and
- 9938 Woodbridge;
- 9939 (5) The southwestern regional district, which shall consist of
- 9940 Bridgeport, Darien, Easton, Fairfield, Greenwich, New Canaan,
- 9941 Monroe, Norwalk, Shelton, Stamford, Stratford, Trumbull, Weston,
- 9942 Westport and Wilton.
- 9943 (b) Each regional tourism district shall be overseen by a board of
- 9944 directors consisting of one representative from each municipality
- 9945 within the district, appointed by the legislative body of the
- 9946 municipality and, where the legislative body is a town meeting, by the
- 9947 board of selectmen. Any such member of a board of directors shall
- 9948 serve for a term of three years. In addition, the board of directors may
- 9949 appoint up to twenty-one persons representing tourism interests
- 9950 within the district to serve on the board. No board member shall be
- 9951 deemed a state employee for serving on said board. All appointments
- 9952 to the board of directors shall be reported to the [executive director of
- 9953 the Connecticut Commission on Culture and Tourism] Commissioner
- 9954 of Community Development.
- 9955 (c) The provisions of the Freedom of Information Act, as defined in
- 9956 section 1-200, shall apply to each regional tourism district.
- 9957 [(d) Not later than October 1, 2003, the commission shall assist each
- 9958 regional tourism district in establishing a committee to draft a charter
- 9959 and bylaws for the regional tourism district and to organize the initial
- 9960 meeting of the board of directors of the district, to be held no later than
- 9961 October 15, 2003.]
- 9962 [(e)] (d) Each regional tourism district shall (1) comply with uniform
- 9963 standards for accounting and reporting expenditures that are

- 9964 established by the [commission] commissioner in accordance with 9965 section 10-392 and are based on industry accounting standards 9966 developed by the International Association of Convention and Visitor 9967 Bureaus or other national organizations related to tourism, and (2) on 9968 or before January first of each year, submit to the [commission] 9969 commissioner, the Office of Policy and Management and the Office of 9970 Fiscal Analysis an independent audit in accordance with the 9971 provisions of sections 4-230 to 4-236, inclusive.
- 9972 [(f)] (e) Each regional tourism district shall solicit and may accept 9973 private funds for the promotion of tourism within its towns and cities 9974 and shall coordinate its activities with any private nonprofit tourist 9975 association within the district and within this state, that promotes 9976 tourism industry businesses in this state, in order to foster cooperation 9977 in the promotion of such businesses. Any funds received by a regional 9978 tourism district may be deposited in the account established in section 9979 10-395 or in an account established by such tourism district to receive 9980 such funds.
- 9981 Sec. 181. Section 10-397a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 9983 (a) As used in this section:
- 9984 (1) ["Commission" means the Connecticut Commission on Culture 9985 and Tourism created by section 10-392] <u>"Commissioner" means the</u> 9986 <u>Commissioner of Community Development;</u>
- 9987 [(2) "Executive director" means the executive director of the 9988 Connecticut Commission on Culture and Tourism appointed pursuant 9989 to section 10-393;]
- [(3)] (2) "Former tourism district" means the tourism districts, as defined in section 32-302 of the general statutes, revision of 1958, revised to January 1, 2003; and
- 9993 [(4)] (3) "Regional tourism district" means one of the five regional

9994 tourism districts created by section 10-397.

(b) Any former tourism district having a cash surplus, after accounting for all liabilities, may distribute such surplus to the regional tourism district or districts serving the towns formerly served by such district. Any distribution shall be divided among the new district or districts in accordance with the following schedule:

T1	Former District	New District(s)
T2	Northeastern	Eastern (100%)
T3	Southeastern	Eastern (100%)
T4	North Central	Central (100%)
T5	Greater Hartford	Central (95%)
T6		Northwestern (5%)
T7	Central Connecticut	Central (80%)
T8		South Central (20%)
T9	Connecticut Valley	Central (60%)
T10		South Central (40%)
T11	Greater New Haven	South Central (67%)
T12		Northwestern (20%)
T13		Southwestern (13%)
T14	Litchfield Hills	Northwestern (100%)
T15	Housatonic Valley	Northwestern (100%)
T16	Greater Waterbury	Northwestern (100%)
T17	Greater Fairfield	Southwestern (100%)

- (c) Any former tourism district may, with the approval of the executive director, transfer noncash assets, including fixed assets and leases, to a regional tourism district or districts serving the towns formerly served by such district.
- 10004 (d) Any regional tourism district may, by vote of its board of

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directors and with the approval of the [commission] commissioner, assume the liabilities of a former tourism district that served all or part of the area served by the new district. No such assumption shall be approved unless (1) the regional district's approved budget makes provision for the costs arising from the assumption of liability; and (2) the [commission] commissioner finds that the proposed assumption of liability is fair and equitable.

Sec. 182. Section 10-398 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

Notwithstanding subsection (a) of section 10-394, for the fiscal year ending June 30, 2004, no later than October 1, 2003, each regional tourism district established under section 10-397 shall prepare a proposed budget for the fiscal year ending June 30, 2004, to carry out its statutory duties. After approval by said tourism district's board of directors, and no later than October 1, 2003, the tourism district shall submit the proposed budget to the [executive director of the Commission on Culture and Tourism] Commissioner of Community Development for review, comments and recommendations by the [commission] commissioner concerning the proposed expenditures. The [commission] commissioner shall review, in consultation with the tourism district, the proposed budget no later than October 10, 2003, and approve or disapprove the budget. If the [commission] commissioner disapproves any annual budget, it shall adopt an interim budget and such interim budget shall take effect immediately and shall remain in effect until the tourism district submits and the [commission] <u>commissioner</u> approves a modified budget. The tourism district shall, on or before November 1, 2003, submit a copy of the budget to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations, finance, revenue and bonding and commerce and the Office of Policy and Management, including an explanation detailing the proposed expenditures for the tourism district for the succeeding fiscal year. No funds shall be expended by the tourism district without prior approval of the budget by the [Commission on Culture and Tourism]

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- Sec. 183. Section 10-399 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 10042 (a) As used in this section: "Visitor welcome center" means the 10043 welcome centers, visitor centers and tourist information centers 10044 located in West Willington, Greenwich, Danbury, Darien, North 10045 Stonington and Westbrook, which have been established to distribute 10046 information to persons traveling in the state for the purpose of 10047 influencing such persons' level of satisfaction with the state and 10048 expenditures in the state and their planning for present and future 10049 trips to the state.
- 10050 (b) The following measures shall be implemented to enhance the operation of visitor welcome centers:
- (1) Each center shall make available space for listing events and promoting attractions, by invitation to the Connecticut tourism industry, including tourism districts, chambers of commerce and any other tourism entities involved in Connecticut tourism promotion;
 - (2) The [Commission on Culture and Tourism, established under section 10-392] <u>Commissioner of Community Development</u>, in consultation with the Department of Transportation, shall develop plans for (A) consistent signage for the visitor welcome centers, and (B) highway signage regulations for privately operated centers;
 - (3) The Department of Transportation and the [commission] commissioner shall establish an "Adopt A Visitor Welcome Center" program, under which local civic organizations may provide maintenance, gardening, including wildflowers, and complimentary refreshments or any other type of service at a visitor welcome center to enhance the operation of the center;
- 10067 (4) The [commission] <u>commissioner</u> shall place a full-time year-10068 round supervisor and a part-time assistant supervisor at the Danbury,

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- 10069 Darien, North Stonington and West Willington centers. The 10070 responsibilities of each supervisor shall include, but not be limited to: 10071 (A) Maintaining a sufficient inventory of up-to-date brochures for 10072 dissemination to visitors, (B) scheduling staff so as to assure coverage 10073 at all times, (C) training staff, (D) compiling and maintaining statistics 10074 on center usage, (E) serving as liaison between the [commission] 10075 commissioner, the Department of Transportation, the tourism district 10076 in which the center is located and businesses in such district, (F) 10077 maintaining quality tourism services, (G) rotating displays, (H) 10078 evaluating staff, (I) problem-solving, and (J) computing travel 10079 reimbursements for volunteer staff;
- (5) Subject to available funds, the [commission] <u>commissioner</u> shall place a seasonal full-time supervisor and a seasonal part-time assistant supervisor at the Greenwich and Westbrook centers. The [commission] <u>commissioner</u> shall discontinue staffing at the Middletown, Plainfield and Wallingford centers, and shall, in conjunction with the tourism industry, seek contract workers to provide tourism services at the Westbrook center when not staffed by the state;
- 10087 (6) Subject to available funds, the [commission] <u>commissioner</u>, in conjunction with the tourism industry, shall develop and implement initial staff training and conduct periodic training of full-time and part-time supervisors.
- Sec. 184. Section 10-400 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - With respect to arts activities, the [Connecticut Commission on Culture and Tourism, established under section 10-392] <u>Commissioner of Community Development</u>, shall encourage, within the state or in association with other states, or both, participation in, and promotion, development, acceptance and appreciation of, artistic and cultural activities that shall include, but are not limited to, music, theater, dance, painting, sculpture, architecture, literature, films and allied arts and crafts and to this end shall have the following powers: (1) To join

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or contract with consultants, private patrons, individual artists and ensembles and with institutions, local sponsoring organizations and professional organizations; (2) to enter into contracts to provide grants, loans or advances to individuals, organizations, or institutions, public or private, that are engaged in or plan to engage in artistic and cultural programs or activities within the state, or that are engaged in or plan to engage in the promotion, development, or encouragement of artistic and cultural programs or activities within the state; (3) to accept, hold and administer, on behalf of the [commission] commissioner, in accordance with the provisions of sections 4-28, 4-31, 4-31a and 4b-22, real property, personal property, securities, other choses in action and moneys, or any interest therein, and income therefrom, either absolutely or in trust, for any purpose of the [commission] <u>commissioner</u>. The [commission] <u>commissioner</u> may acquire or receive such property or money for its purposes by the acceptance of state or federal or public or private loans, contributions, gifts, grants, donations, bequests or devises, and the [commission] commissioner shall deposit or credit the same in the [Connecticut Commission on] Culture and Tourism account established under section 10-395; (4) to establish a nonprofit foundation for the purpose of raising funds from private sources to encourage, within the state or in association with other states, or both, participation in, and promotion, development, acceptance and appreciation of, artistic and cultural activities that shall include, but are not limited to, music, theater, dance, painting, sculpture, architecture, literature, films, heritage, historic preservation, humanities and allied arts and crafts. All funds received by the foundation shall be held in the manner prescribed by sections 4-37e to 4-37j, inclusive; and (5) to perform such other acts as may be necessary or appropriate to carry out the objectives and purposes of the [commission] commissioner. The General Assembly declares that all activities undertaken in carrying out the policies set forth in this chapter shall be directed toward encouraging and assisting, rather than in any way limiting, the freedom of artistic expression that is essential for the well-being of the arts. Said [commission] commissioner shall maintain a survey of public and private facilities

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- 10136 engaged within the state in artistic and cultural activities and 10137 determine the needs of the citizens of this state and the methods by 10138 which existing resources may be utilized, or new resources developed, 10139 to fulfill these needs. The [commission] commissioner shall maintain a 10140 register of Connecticut artists. The name, town of residence and artistic 10141 medium of any such artist residing in Connecticut shall be entered in 10142 the register by the [commission] commissioner upon the artist's 10143 request.
- Sec. 185. Section 10-401 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 10146 The [Connecticut Commission on Culture and Tourism, established 10147 under section 10-392] Commissioner of Community Development, 10148 shall establish and administer a "special incentive grant program" to 10149 provide financial assistance for artistic and cultural programs and 10150 activities pursuant to subdivision (2) of section 10-400. No state funds 10151 appropriated to the [commission] commissioner for the purposes of 10152 said program shall be disbursed unless one-third of the amount of 10153 such financial assistance consists of nonfederal funds raised and 10154 received by said [commission] commissioner.
- Sec. 186. Section 10-402 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 10157 (a) For purposes of this section the following terms have the 10158 following meanings:
- 10159 (1) "Work of art" means any work of visual art, including but not limited to, a drawing, painting, sculpture, mosaic, photograph, work of calligraphy or work of graphic art or mixed media;
- 10162 (2) "Connecticut artists" means artists born in Connecticut, artists who have worked in or received a portion of their training in Connecticut, or artists living in Connecticut at the time of the purchase of their works of art.

- 10166 (b) The [Connecticut Commission on Culture and Tourism, 10167 established under section 10-392,] <u>Commissioner of Community</u> 10168 <u>Development</u> may establish and administer a state art collection.
- 10169 (c) The [Connecticut Commission on Culture and Tourism, 10170 established under section 10-392,] <u>Commissioner of Community</u> 10171 <u>Development</u> shall establish policies and procedures with respect to 10172 the activities of the art collection and perform every other matter and 10173 thing requisite to the proper management, maintenance, support and 10174 control of the Connecticut art collection.
- 10175 (d) The art collection shall be representative of various media, 10176 diverse styles and periods of Connecticut artists and shall be 10177 representative of Connecticut's ethnic, racial and cultural groups.
 - (e) The [Connecticut Commission on Culture and Tourism, established under section 10-392,] <u>Commissioner of Community Development</u> may apply for and receive aid or grants from individuals, private artists, state sources, private foundations, local arts organizations and the federal government for the state art collection.
- Sec. 187. Section 10-403 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- The [Connecticut Commission on Culture and Tourism, established under section 10-392,] <u>Commissioner of Community Development</u> is designated as the state agency for the reception and disbursement of federal, state and private moneys or other property made available on or after July 1, 1965, for the purpose of fostering the arts within the authority of the [commission] <u>commissioner</u>, in accordance with the standard state fiscal procedures.
- Sec. 188. Section 10-404 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- Any person otherwise qualifying for a loan or grant made by the [Connecticut Commission on Culture and Tourism, established under

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- section 10-392,] <u>Commissioner of Community Development</u> shall not be disqualified by reason of being under the age of eighteen years and for the purpose of applying for, receiving and repaying such a loan, or entering into a contract concerning such loan or grant, any such person shall be deemed to have full legal capacity to act and shall have all the rights, powers, privileges and obligations of a person of full age, with respect thereto.
- Sec. 189. Section 10-405 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- For purposes of this section and sections 10-406 to 10-408, inclusive:
- 10206 (1) "Arts organization" means a nonprofit organization in the state 10207 which is exempt from taxation pursuant to Section 501(c)(3) of the 10208 Internal Revenue Code of 1986, as from time to time amended, the primary purpose of which is to create, perform, present or otherwise 10209 10210 promote the visual, performing or literary arts in the state, but shall 10211 not mean an organization, the primary purpose of which is 10212 instructional, or an organization, the primary purpose of which is to 10213 receive contributions for and provide funding to arts organizations;
- 10214 (2) ["Commission" means the Connecticut Commission on Culture 10215 and Tourism, established under section 10-392] "Commissioner" means 10216 the Commissioner of Community Development;
- 10217 (3) "Contribution" means cash, negotiable securities or other gifts of similar liquidity;
- (4) "Donor" means a private organization, the primary purpose of which is to receive contributions for and provide funding to arts organizations, a private foundation or private corporation, partnership, single proprietorship or association or person making a contribution to an arts organization;
- 10224 (5) "Fiscal year" means a period of twelve calendar months as 10225 determined by the arts organization's bylaws.

Sec. 190. Section 10-409 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) With respect to historical preservation, there is established within the [Connecticut Commission on Culture and Tourism, established under section 10-392] Department of Community Development, an Historic Preservation Council. The Historic Preservation Council shall consist of twelve members to be appointed by the Governor. On or before January fifth in the even-numbered years, the Governor shall appoint six members for terms of four years each to replace those whose terms expire. One of such members shall be the State Historian and one shall be the State Archaeologist. Members shall be appointed in accordance with the provisions of section 4-9a. No member shall serve for more than two consecutive full terms. Any member who fails to attend three consecutive meetings or who fails to attend fifty per cent of all meetings held during any calendar year shall be deemed to have resigned from office. The Governor shall biennially designate one member of the council to be chairperson. The Governor shall fill any vacancy for any unexpired portion of the term and may remove any member as provided by section 4-12. No compensation shall be received by the members of the council but they shall be reimbursed for their necessary expenses. The [Connecticut Commission on Culture and Tourism] Commissioner of Community Development may, with the advice of the Historic Preservation Council, (1) study and investigate historic structures and landmarks in this state and encourage and recommend the development, preservation and marking of such historic structures and landmarks found to have educational, recreational and historical significance; (2) prepare, adopt and maintain standards for a state register of historic places; (3) update and keep current the state historic preservation plan; (4) administer the National Register of Historic Places Program; (5) assist owners of historic structures in seeking federal or other aid for historic preservation and related purposes; (6) recommend to the General Assembly the placing and maintaining of suitable markers, memorials or monuments or other edifices to

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designate historic structures and landmarks found to have historical significance; (7) make recommendations to the General Assembly regarding the development and preservation of historic structures and landmarks owned by the state; (8) maintain a program of historical, architectural, and archaeological research and development including surveys, excavation, scientific recording, interpretation and publication of the historical, architectural, archaeological and cultural resources of the state; (9) cooperate with promotional, patriotic, educational and research groups and associations, with local, state and national historical societies, associations and commissions, with agencies of the state and its political subdivisions and with the federal government, in promoting and publicizing the historical heritage of Connecticut; (10) formulate standards and criteria to guide the several municipalities in the evaluation, delineation and establishment of historic districts; (11) cooperate with the State Building Inspector, the Codes and Standards Committee and other building officials and render advisory opinions and prepare documentation regarding the application of the State Building Code to historic structures and landmarks if requested by owners of historic structures and landmarks, the State Building Inspector, the Codes and Standards Committee or other building officials; (12) review planned state and federal actions to determine their impact on historic structures and landmarks; (13) operate the Henry Whitfield House of Guilford, otherwise known as the Old Stone House, as a state historical museum and, in its discretion, charge a fee for admission to said museum and account for and deposit the same as provided in section 4-32; (14) provide technical and financial assistance to carry out the purposes of this section and sections 10-410 to 10-416, inclusive; (15) adopt regulations in accordance with the provisions of chapter 54 for the preservation of sacred sites and archaeological sites; and (16) inventory state lands to identify sacred sites and archaeological sites. The [commission] commissioner shall study the feasibility of establishing a state museum of Connecticut history at an appropriate existing facility. The Historic Preservation Council shall (A) review and approve or disapprove requests by owners of historic properties which [commission] commissioner on the holds

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preservation easements to perform rehabilitation work on sacred sites and archaeological sites; (B) request the assistance of the Attorney General to prevent the unreasonable destruction of historic properties pursuant to the provisions of section 22a-19a; and (C) place and maintain suitable markers, memorials or monuments to designate sites or places found to have historic significance. The council shall meet monthly. The Connecticut Trust for Historic Preservation may provide technical assistance to the council.

- (b) Notwithstanding the provisions of this section or section 1-210, the [Connecticut Commission on Culture and Tourism] Commissioner of Community Development may withhold from disclosure to the public information relating to the location of archaeological sites under consideration for listing by the [commission] commissioner or those listed on the National Register of Historic Places or the state register of historic places whenever the [commission] commissioner determines that disclosure of specific information would create a risk of destruction or harm to such sites. The provisions of this subsection shall not apply to any such site unless the person who reported or discovered such site has submitted a written statement to the [commission] commissioner requesting that no disclosure be made. Upon receipt of such statement, the [commission] commissioner may withhold such information from disclosure until the July first next succeeding such receipt. Such person may request that a period of nondisclosure be extended by submitting such statements prior to July first of any year.
- 10320 (c) The Historic Preservation Council [of the Connecticut 10321 Commission on Culture and Tourism] shall develop a model ballot 10322 form to be mailed by clerks of municipalities on the question of 10323 creation of historic districts or districts as provided for in section 7-10324 147a to 7-147k, inclusive.
- Sec. 191. Section 10-410 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

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For the purposes of sections 10-409 to 10-415, inclusive, ["commission"] "commissioner" means the [Connecticut Commission on Culture and Tourism established under section 10-392] Commissioner of Community Development; "municipality" shall include any town, city or borough; "private organization" means a nonprofit organization which has the power to acquire, relocate, restore and maintain historic structures and landmarks in the state of Connecticut; "historic district" means an area in a municipality established under section 7-147a or by special act; "historic structures and landmarks" means any building, structure, object or site that is significant in American history, architecture, archaeology and culture or property used in connection therewith including sacred sites and archaeological sites; "historic preservation" means research, protection, restoration, stabilization and adaptive use of buildings, structures, objects, districts, areas and sites significant in the history, architecture, archaeology or culture of this state, its municipalities or the nation; and "state register of historic places" means the [commission's] commissioner's itemized list locating and classifying historic structures and landmarks throughout the state, as discovered [commission's] commissioner's field survey of 1966-1967 and as subsequently augmented.

Sec. 192. Section 10-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(a) The [commission] <u>commissioner</u> may provide an appropriate plaque or marker at a cost, to be determined by the [commission] <u>commissioner</u>, to the recipient for attachment to an historic structure or landmark identifying it as a Connecticut historical landmark within the criteria adopted by the [commission] <u>commissioner</u> and as identified through the state register of historic places, if the owner agrees to display such plaque or marker in a manner satisfactory to the [commission] <u>commissioner</u>. Any such plaque or marker may be repossessed by the [commission] <u>commissioner</u> if the historic structure or landmark is not maintained in a manner satisfactory to the [commission] <u>commissioner</u>.

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- 10361 (b) The [Connecticut Commission on Culture and Tourism, 10362 established under section 10-392] Commissioner of Community 10363 Development, in consultation with the Amistad Committee, Inc., New 10364 Haven, shall establish a Freedom Trail and a program to recognize, 10365 document and mark sites in this state that are associated with the history and movement towards freedom of its African-American 10366 10367 citizens, the Underground Railroad and the abolition of slavery. The 10368 [commission] commissioner and the Amistad Committee, 10369 Incorporated, of New Haven shall designate and mark the sites of the 10370 Freedom Trail. The Amistad Committee, Inc., of New Haven shall be 10371 responsible for the coordination and organization of the "September 10372 Freedom Trail Month". The [commission] commissioner shall establish 10373 a program to publicize the existence of the Freedom Trail and shall 10374 publish a brochure which indicates the location and history of the sites.
- Sec. 193. Section 10-416 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 10377 (a) As used in this section, the following terms shall have the 10378 following meanings unless the context clearly indicates another 10379 meaning:
- 10380 (1) ["Commission" means the Connecticut Commission on Culture 10381 and Tourism established under section 10-392] <u>"Commissioner" means</u> 10382 <u>the Commissioner of Community Development;</u>
 - (2) "Historic home" means a building that: (A) Will contain one-to-four dwelling units of which at least one unit will be occupied as the principal residence of the owner for not less than five years following the completion of rehabilitation work, (B) is located in a targeted area, and (C) is (i) listed individually on the National or State Register of Historic Places, or (ii) located in a district listed on the National or State Register of Historic Places, and has been certified by the [commission] commissioner as contributing to the historic character of such district;
- 10392 (3) "Nonprofit corporation" means a nonprofit corporation

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- incorporated pursuant to chapter 602 or any predecessor statutes thereto, having as one of its purposes the construction, rehabilitation, ownership or operation of housing and having articles of incorporation approved by the [Commissioner of Economic and Community Development] Connecticut Housing Finance Authority in accordance with regulations adopted pursuant to section 8-79a or 8-84;
- 10399 (4) "Owner" means any taxpayer filing a state of Connecticut tax 10400 return who possesses title to an historic home, or prospective title to an 10401 historic home in the form of a purchase agreement or option to 10402 purchase, or a nonprofit corporation that possesses such title or 10403 prospective title;
- 10404 (5) "Targeted area" means: (A) A federally designated "qualified census tract" in which seventy per cent or more of the families have a median income of eighty per cent or less of the state-wide median family income, (B) a state designated and federally approved area of chronic economic distress, or (C) an urban and regional center as identified in the Connecticut Conservation and Development Policies Plan;
 - (6) "Qualified rehabilitation expenditures" means any costs incurred for the physical construction involved in the rehabilitation of an historic home, but excludes: (A) The owner's personal labor, (B) the cost of site improvements, unless to provide building access to persons with disabilities, (C) the cost of a new addition, except as may be required to comply with any provision of the State Building Code or the State Fire Safety Code, (D) any cost associated with the rehabilitation of an outbuilding, unless such building contributes to the historical significance of the historic home, and (E) any nonconstruction cost such as architectural fees, legal fees and financing fees;
 - (7) "Rehabilitation plan" means any construction plans and specifications for the proposed rehabilitation of an historic home in sufficient detail to enable the [commission] commissioner to evaluate

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- compliance with the standards developed under the provisions of subsections (b) to (d), inclusive, of this section; and
- 10427 (8) "Occupancy period" means a period of five years during which one or more owners occupy an historic home as their primary residence. The occupancy period begins on the date the tax credit voucher is issued by the [commission] commissioner.
 - (b) The [commission] <u>commissioner</u> shall administer a system of tax credit vouchers within the resources, requirements and purposes of this section for owners rehabilitating historic homes or taxpayers making contributions to qualified rehabilitation expenditures. For tax years commencing on or after January 1, 2000, any owner shall be eligible for a tax credit voucher in an amount equal to thirty per cent of the qualified rehabilitation expenditures.
 - (c) The [commission] <u>commissioner</u> shall develop standards for the approval of rehabilitation of historic homes for which a tax credit voucher is sought. Such standards shall take into account whether the rehabilitation of an historic home will preserve the historic character of the building.
 - (d) The [commission] <u>commissioner</u> shall, in consultation with the Commissioner of Revenue Services, adopt regulations in accordance with chapter 54 to carry out the purposes of this section.
 - (e) Prior to beginning any rehabilitation work on an historic home, the owner shall submit a rehabilitation plan to the [commission] commissioner for a determination of whether such rehabilitation work meets the standards developed under the provisions of subsections (b) to (d), inclusive, of this section and shall also submit to the [commission] commissioner an estimate of the qualified rehabilitation expenditures.
 - (f) If the [commission] <u>commissioner</u> certifies that the rehabilitation plan conforms to the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, the [commission]

<u>commissioner</u> shall reserve for the benefit of the owner an allocation for a tax credit equivalent to thirty per cent of the projected qualified rehabilitation expenditures.

- (g) Following the completion of rehabilitation of an historic home, the owner shall notify the [commission] commissioner that such rehabilitation has been completed. The owner shall provide the [commission] commissioner with documentation of work performed on the historic home and shall certify the cost incurred in rehabilitating the home. The [commission] commissioner shall review such rehabilitation and verify its compliance with the rehabilitation plan. Following such verification, the [commission] commissioner shall issue a tax credit voucher to either the owner rehabilitating the historic home or to the taxpayer named by the owner as contributing to the rehabilitation. The tax credit voucher shall be in an amount equivalent to the lesser of the tax credit reserved upon certification of the rehabilitation plan under the provisions of subsection (f) of this section or thirty per cent of the actual qualified rehabilitation expenditures. In order to obtain a credit against any state tax due that is specified in subsections (j) to (m), inclusive, of this section, the holder of the tax credit voucher shall file the voucher with the holder's state tax return.
- (h) Before the [commission] <u>commissioner</u> issues a tax credit voucher, the owner shall deliver a signed statement to the [commission] <u>commissioner</u> which provides that: (1) The owner shall occupy the historic home as the owner's primary residence during the occupancy period, or (2) the owner shall convey the historic home to a new owner who will occupy it as the new owner's primary residence during the occupancy period, or (3) an encumbrance shall be recorded, in favor of the local, state or federal government or other funding source, that will require the owner or the owner's successors to occupy the historic home as the primary residence of the owner or the owner's successors for a period equal to or longer than the occupancy period. A copy of any such encumbrance shall be attached to the signed statement.

- (i) The owner of an historic home shall not be eligible for a tax credit voucher under subsections (b) to (d), inclusive, of this section, unless the owner incurs qualified rehabilitation expenditures exceeding twenty-five thousand dollars.
 - (j) The Commissioner of Revenue Services shall grant a tax credit to a taxpayer holding the tax credit voucher issued under subsections (e) to (i), inclusive, of this section against any tax due under chapter 207, 208, 209, 210, 211 or 212 in the amount specified in the tax credit voucher. The [commission] commissioner shall provide a copy of the voucher to the Commissioner of Revenue Services upon the request of said commissioner.
 - (k) In no event shall a credit allowed under this section exceed thirty thousand dollars per dwelling unit for an historic home.
 - (l) The tax credit issued under subsection (j) of this section shall be taken by the holder of the tax credit voucher in the same tax year in which the voucher is issued. Any unused portion of such credit may be carried forward to any or all of the four taxable years following the year in which the tax credit voucher is issued.
- 10507 (m) The aggregate amount of all tax credits which may be reserved by the [commission] commissioner upon certification of rehabilitation plans under subsections (b) to (d), inclusive, of this section shall not exceed three million dollars in any one fiscal year.
- Sec. 194. Section 10-416a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
- 10513 (a) As used in this section, the following terms shall have the 10514 following meanings unless the context clearly indicates another 10515 meaning:
- 10516 (1) ["Commission" means the Connecticut Commission on Culture 10517 and Tourism established pursuant to section 10-392] "Commissioner" 10518 means the Commissioner of Community Development;

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- (2) "Certified historic structure" means an historic commercial or industrial property that: (A) Is listed individually on the National or State Register of Historic Places, or (B) is located in a district listed on the National or State Register of Historic Places, and has been certified by the [commission] commissioner as contributing to the historic character of such district;
- 10525 (3) "Certified rehabilitation" means any rehabilitation of a certified 10526 historic structure for residential use consistent with the historic character of such property or the district in which the property is 10528 located as determined by regulations adopted by the [commission] commissioner;
 - (4) "Owner" means any person, firm, limited liability company, nonprofit or for-profit corporation or other business entity which possesses title to an historic structure and undertakes the rehabilitation of such structure;
 - (5) "Placed in service" means that substantial rehabilitation work has been completed which would allow for issuance of a certificate of occupancy for the entire building or, in projects completed in phases, for individual residential units that are an identifiable portion of the building;
 - (6) "Qualified rehabilitation expenditures" means any costs incurred for the physical construction involved in the rehabilitation of a certified historic structure for residential use, excluding: (A) The owner's personal labor, (B) the cost of a new addition, except as required to comply with any provision of the State Building Code or the State Fire Safety Code, and (C) any nonconstruction cost such as architectural fees, legal fees and financing fees;
 - (7) "Rehabilitation plan" means any construction plans and specifications for the proposed rehabilitation of a certified historic structure in sufficient detail for evaluation by compliance with the standards developed under the provisions of subsections (b) to (d), inclusive, of this section; and

- 10551 (8) "Substantial rehabilitation" or "substantially rehabilitate" means 10552 the qualified rehabilitation expenditures of a certified historic structure 10553 that exceed twenty-five per cent of the assessed value of such 10554 structure.
 - (b) (1) The [commission] <u>commissioner</u> shall administer a system of tax credit vouchers within the resources, requirements and purposes of this section for owners rehabilitating certified historic structures.
 - (2) The credit authorized by this section shall be available in the tax year in which the substantially rehabilitated certified historic structure is placed in service. In the case of projects completed in phases, the tax credit shall be prorated to the substantially rehabilitated identifiable portion of the building placed in service. If the tax credit is more than the amount owed by the taxpayer for the year in which the substantially rehabilitated certified historic structure is placed in service, the amount that is more than the taxpayer's tax liability may be carried forward and credited against the taxes imposed for the succeeding five years or until the full credit is used, whichever occurs first.
 - (3) Any credits allowed under this section that are provided to multiple owners of certified historic structures shall be passed through to persons designated as partners, members or owners, pro rata or pursuant to an agreement among such persons designated as partners, members or owners documenting an alternative distribution method without regard to other tax or economic attributes of such entity. Any owner entitled to a credit under this section may assign, transfer or convey the credits, in whole or in part, by sale or otherwise to any individual or entity and such transferee shall be entitled to offset the tax imposed under chapter 207, 208, 209, 210, 211 or 212 as if such transferee had incurred the qualified rehabilitation expenditure.
 - (c) The [commission] <u>commissioner</u> shall develop standards for the approval of rehabilitation of certified historic structures for which a tax credit voucher is sought. Such standards shall take into account

- whether the rehabilitation of a certified historic structure will preserve the historic character of the building.
- (d) The [commission] <u>commissioner</u> shall adopt regulations, in accordance with chapter 54, to carry out the purposes of this section. Such regulations shall include provisions for filing of applications, rating criteria and for timely approval by the [commission] commissioner.
 - (e) Prior to beginning any rehabilitation work on a certified historic structure, the owner shall submit (1) a rehabilitation plan to the [commission] commissioner for a determination of whether or not such rehabilitation work meets the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, and (2) an estimate of the qualified rehabilitation expenditures. The provisions of this subsection shall not disqualify applications for tax credits for certified historic structures for which rehabilitation commenced but were not placed in service before July 1, 2006.
 - (f) If the [commission] <u>commissioner</u> certifies that the rehabilitation plan conforms to the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, the [commission] <u>commissioner</u> shall reserve for the benefit of the owner an allocation for a tax credit equivalent to twenty-five per cent of the projected qualified rehabilitation expenditures, not exceeding two million seven hundred thousand dollars.
 - (g) Following the completion of rehabilitation of a certified historic structure, the owner shall notify the [commission] <u>commissioner</u> that such rehabilitation has been completed. The owner shall provide the [commission] <u>commissioner</u> with documentation of work performed on the certified historic structure and shall submit certification of the costs incurred in rehabilitating the certified historic structure. The [commission] <u>commissioner</u> shall review such rehabilitation and verify its compliance with the rehabilitation plan. Following such verification, the [commission] <u>commissioner</u> shall issue a tax credit

- 10615 voucher to the owner rehabilitating the certified historic structure or to 10616 the taxpayer named by the owner as contributing to the rehabilitation. 10617 The tax credit voucher shall be in an amount equivalent to the lesser of 10618 the tax credit reserved upon certification of the rehabilitation plan 10619 under the provisions of subsection (f) of this section or twenty-five per 10620 cent of the actual qualified rehabilitation expenditures not exceeding 10621 two million seven hundred thousand dollars. In order to obtain a 10622 credit against any state tax due that is specified in subsections (h) to (j), 10623 inclusive, of this section, the holder of the tax credit voucher shall file 10624 the voucher with the holder's state tax return.
- (h) The Commissioner of Revenue Services shall grant a tax credit to a taxpayer holding the tax credit voucher issued under subsections (e) to (i), inclusive, of this section against any tax due under chapter 207, 208, 209, 210, 211 or 212 in the amount specified in the tax credit voucher. Such taxpayer shall submit the voucher and the corresponding tax return to the Department of Revenue Services.
- (i) The aggregate amount of all tax credits which may be reserved by the [commission] commissioner upon certification of rehabilitation plans under subsections (b) to (d), inclusive, of this section shall not exceed fifteen million dollars in any one fiscal year.
 - (j) The [commission] <u>commissioner</u> may charge an application fee in an amount not to exceed ten thousand dollars to cover the cost of administering the program established pursuant to this section.
- Sec. 195. Section 10-417 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - (a) With respect to digital media and motion picture activities, the [Connecticut Commission on Culture and Tourism, established under section 10-392,] <u>Commissioner of Community Development</u> shall have the following powers and duties:
- 10644 (1) To promote the use of Connecticut locations, structures, facilities 10645 and services for the production and postproduction of all digital media

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- and motion pictures and other media-related products;
- 10647 (2) To provide support services to visiting and in-state production 10648 companies, including assistance to digital media and motion picture 10649 producers in securing permits from state agencies, authorities or 10650 institutions or municipalities or other political subdivisions of the 10651 state;
- 10652 (3) To develop and update a resource library concerning the many possible state sites which are suitable for production;
- 10654 (4) To develop and update a production manual of available digital media and motion picture production facilities and services in the state;
- 10657 (5) To conduct and attend trade shows and production workshops 10658 to promote Connecticut locations and facilities;
- 10659 (6) To prepare an explanatory guide showing the impact of relevant state and municipal tax statutes, regulations and administrative opinions on typical production activities and to implement the tax credits provided for in section 12-217jj;
 - (7) To formulate and propose guidelines for state agencies for a "one stop permitting" process for matters including, but not limited to, the use of state roads and highways, the use of state-owned real or personal property for production activities and the conduct of regulated activities, and to hold workshops to assist state agencies in implementing such process;
 - (8) To formulate and recommend to municipalities model local ordinances and forms to assist production activities, including, but not limited to, "one stop permitting" of digital media and motion picture and other production activity to be conducted in a municipality, and to hold workshops to assist municipalities in implementing such ordinances;
- 10675 (9) To accept any funds, gifts, donations, bequests or grants of funds

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- 10676 from private and public sources for the purposes of this section;
- 10677 (10) To request and obtain from any state agency, authority or 10678 institution or any municipality or other political subdivision of the 10679 state such assistance and data as will enable the [commission] commissioner to carry out the purposes of this section;
- 10681 (11) To assist and promote cooperation among all segments of management and labor that are engaged in digital media and motion pictures;
- 10684 (12) To take any other administrative action which may improve the position of the state's digital media and motion picture production industries in national and international markets.
 - (b) On or before January 15, 2008, and biennially thereafter, the [commission] commissioner shall submit to the General Assembly, in accordance with section 11-4a, a report on the activities of the [commission] commissioner under this section and the estimated direct and indirect economic impact of all digital media, motion pictures and related production activity in the state, during the preceding calendar years. Each such report shall also include an analysis of the impact on the state of each qualified production, as defined in section 12-217jj.
- Sec. 196. Section 10-418 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):
 - Notwithstanding any provision of the general statutes, each state agency, department or institution issuing a request for proposals for any digital media, motion picture or related production activity shall, at the time of such issuance, transmit a copy of such request for proposals to the [Connecticut Commission on Culture and Tourism. Said commission] Commissioner of Community Development. The commissioner shall notify the executive head of each state agency of the requirements of this section.
- 10705 Sec. 197. (NEW) (Effective from passage) The Legislative

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10706 Commissioners' Office shall make such technical and conforming 10707 changes as necessary to carry out the purposes of sections 1 to 197, 10708 inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2009	32-1b
Sec. 2	July 1, 2009	32-1c
Sec. 3	July 1, 2009	32-1e
Sec. 4	July 1, 2009	32-1f
Sec. 5	July 1, 2009	32-1g
Sec. 6	July 1, 2009	32-1k
Sec. 7	July 1, 2009	32-1m
Sec. 8	July 1, 2009	32-1n
Sec. 9	July 1, 2009	32-1o
Sec. 10	July 1, 2009	32-4h
Sec. 11	July 1, 2009	32-5a
Sec. 12	July 1, 2009	32-5b
Sec. 13	July 1, 2009	32-6
Sec. 14	July 1, 2009	32-8a
Sec. 15	July 1, 2009	32-9c
Sec. 16	July 1, 2009	32-9i
Sec. 17	July 1, 2009	32-9j
Sec. 18	July 1, 2009	32-9n
Sec. 19	July 1, 2009	32-9q
Sec. 20	July 1, 2009	32-9t(a)(1)
Sec. 21	July 1, 2009	32-9kk
Sec. 22	July 1, 2009	32-9qq
Sec. 23	July 1, 2009	32-9vv
Sec. 24	July 1, 2009	32-11a
Sec. 25	July 1, 2009	32-16(a)
Sec. 26	July 1, 2009	32-22
Sec. 27	July 1, 2009	32-23c
Sec. 28	July 1, 2009	32-23d
Sec. 29	July 1, 2009	32-230
Sec. 30	July 1, 2009	32-23t
Sec. 31	July 1, 2009	32-23v
Sec. 32	July 1, 2009	32-23x
Sec. 33	July 1, 2009	32-23ii

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Sec. 34	July 1, 2009	32-2311
Sec. 35	July 1, 2009	32-23qq
Sec. 36	July 1, 2009	32-23ss
Sec. 37	July 1, 2009	32-35
Sec. 38	July 1, 2009	32-47a
Sec. 39	July 1, 2009	32-58
Sec. 40	July 1, 2009	32-58b
Sec. 41	July 1, 2009	32-59
Sec. 42	July 1, 2009	32-70
Sec. 43	July 1, 2009	32-70a
Sec. 44	July 1, 2009	32-96
Sec. 45	July 1, 2009	32-98
Sec. 46	July 1, 2009	32-100
Sec. 47	July 1, 2009	32-180
Sec. 48	July 1, 2009	32-182
Sec. 49	July 1, 2009	32-222
Sec. 50	July 1, 2009	32-228
Sec. 51	July 1, 2009	32-235
Sec. 52	July 1, 2009	32-236
Sec. 53	July 1, 2009	32-241
Sec. 54	July 1, 2009	32-242
Sec. 55	July 1, 2009	32-244
Sec. 56	July 1, 2009	32-244a
Sec. 57	July 1, 2009	32-245
Sec. 58	July 1, 2009	32-246
Sec. 59	July 1, 2009	32-261(a)
Sec. 60	July 1, 2009	32-262(b)
Sec. 61	July 1, 2009	32-265(f)
Sec. 62	July 1, 2009	32-284
Sec. 63	July 1, 2009	32-285
Sec. 64	July 1, 2009	32-291
Sec. 65	July 1, 2009	32-324a
Sec. 66	July 1, 2009	32-324b
Sec. 67	July 1, 2009	32-324e
Sec. 68	July 1, 2009	32-324f
Sec. 69	July 1, 2009	32-324g
Sec. 70	July 1, 2009	32-324h
Sec. 71	July 1, 2009	32-329
Sec. 72	July 1, 2009	32-345
Sec. 73	July 1, 2009	32-348
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Sec. 74	July 1, 2009	32-349
Sec. 75	July 1, 2009	32-356
Sec. 76	July 1, 2009	32-454
Sec. 77	July 1, 2009	32-462
Sec. 78	July 1, 2009	32-480
Sec. 79	July 1, 2009	32-500
Sec. 80	July 1, 2009	32-501
Sec. 81	July 1, 2009	32-502
Sec. 82	July 1, 2009	32-511
Sec. 83	July 1, 2009	32-616
Sec. 84	July 1, 2009	32-701
Sec. 85	July 1, 2009	32-718
Sec. 86	July 1, 2009	47-88b(f)
Sec. 87	July 1, 2009	47-284
Sec. 88	July 1, 2009	47-288
Sec. 89	July 1, 2009	47a-56k
Sec. 90	July 1, 2009	2c-2b(d)
Sec. 91	July 1, 2009	4-38c
Sec. 92	July 1, 2009	4-66c
Sec. 93	July 1, 2009	4-168a(c)
Sec. 94	July 1, 2009	7-136e
Sec. 95	July 1, 2009	7-136f
Sec. 96	July 1, 2009	7-392(d)
Sec. 97	July 1, 2009	8-37i
Sec. 98	July 1, 2009	8-37k
Sec. 99	July 1, 2009	8-370
Sec. 100	July 1, 2009	8-37t
Sec. 101	July 1, 2009	8-37x
Sec. 102	July 1, 2009	8-37y
Sec. 103	July 1, 2009	8-37aa
Sec. 104	July 1, 2009	8-37bb
Sec. 105	July 1, 2009	8-37ff
Sec. 106	July 1, 2009	8-37jj
Sec. 107	July 1, 2009	8-37kk
Sec. 108	July 1, 2009	8-37pp
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Sec. 110	July 1, 2009	8-37tt
Sec. 111	July 1, 2009	8-37uu
Sec. 112	July 1, 2009	8-37xx
Sec. 113	July 1, 2009	8-37yy

Sec. 114	July 1, 2009	8-37aaa
Sec. 115	July 1, 2009	8-37111
Sec. 116	July 1, 2009	8-68j
Sec. 117	July 1, 2009	8-78
Sec. 117	July 1, 2009	8-11 <i>9ll</i>
Sec. 119	July 1, 2009	8-163
Sec. 120	July 1, 2009	8-166
Sec. 121	July 1, 2009	8-167
Sec. 122	July 1, 2009	8-169w
Sec. 123	July 1, 2009	8-206
Sec. 124	July 1, 2009	8-206d
Sec. 125	July 1, 2009	8-208b
Sec. 126	July 1, 2009	8-214a
Sec. 127	July 1, 2009	8-214e
Sec. 128	July 1, 2009	8-216c
Sec. 129	July 1, 2009	8-218
Sec. 130	July 1, 2009	8-239a
Sec. 131	July 1, 2009	8-240m
Sec. 132	July 1, 2009	8-243
Sec. 133	July 1, 2009	8-265p
Sec. 134	July 1, 2009	8-265w
Sec. 135	July 1, 2009	8-26500
Sec. 136	July 1, 2009	8-281
Sec. 137	July 1, 2009	8-284
Sec. 138	July 1, 2009	8-286
Sec. 139	July 1, 2009	8-336f
Sec. 140	July 1, 2009	8-336m
Sec. 141	July 1, 2009	8-336p
Sec. 142	July 1, 2009	8-367
Sec. 143	July 1, 2009	8-402
Sec. 144	July 1, 2009	8-403
Sec. 145	July 1, 2009	10-373bb
Sec. 146	July 1, 2009	10-416b
Sec. 147	July 1, 2009	10-425
Sec. 148	July 1, 2009	10a-19f
Sec. 149	July 1, 2009	12-3f
Sec. 150	July 1, 2009	12-81(59) and (60)
Sec. 151	July 1, 2009	12-81(70)
Sec. 152	July 1, 2009	12-263m
Sec. 153	July 1, 2009	13b-38a(a)

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Sec. 154	July 1, 2009	13b-51b
Sec. 155	July 1, 2009	13b-57d(b)
Sec. 156	July 1, 2009	13b-57e
Sec. 157	July 1, 2009	15-101pp(c)
Sec. 158	July 1, 2009	16-50j(h)
Sec. 159	July 1, 2009	16a-35c
Sec. 160	July 1, 2009	16a-41(a)
Sec. 161	July 1, 2009	17a-3(a)
Sec. 162	July 1, 2009	17b-337(c)
Sec. 163	July 1, 2009	17b-347e
Sec. 164	July 1, 2009	21-70(f)(3)
Sec. 165	July 1, 2009	21-84a
Sec. 166	July 1, 2009	22-26cc(a)
Sec. 167	July 1, 2009	22-455
Sec. 168	July 1, 2009	22a-1d
Sec. 169	July 1, 2009	22a-6r
Sec. 170	July 1, 2009	22a-241
Sec. 171	July 1, 2009	31-3b(b)
Sec. 172	July 1, 2009	31-3u
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Sec. 174	July 1, 2009	31-362g
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Sec. 194	July 1, 2009	10-416a
Sec. 195	July 1, 2009	10-417
Sec. 196	July 1, 2009	10-418
Sec. 197	from passage	New section

CE Joint Favorable Subst. C/R

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